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# THE IMPACT OF SUSTAINABILITY MARKETING ON CUSTOMER LOYALTY: A CROSS REGIONAL STUDY OF EASTERN AND WESTERN EUROPE

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## SUMMARY

This thesis analyses the impact of sustainability marketing on customer loyalty across Eastern and Western Europe. Sustainability marketing has increasingly been incorporated into marketing strategies by most companies. However, there is a gap in the research done cross-regionally especially across Europe. The **research problem** addressed by this thesis is what is the impact of sustainability marketing on customer loyalty across Western and Eastern Europe.

**The object of the research** is the impact of sustainability marketing on customer loyalty. And **the aim** of the paper is based on theoretical analysis of sustainability marketing and its effect on customer loyalty, empirically investigate the impact that sustainability marketing has on customer loyalty in the retail sector across Eastern and Western Europe. The methods used in the thesis involve triangulation of qualitative and quantitative data included primary as well as secondary sources. The primary data is collected through focus groups and online surveys while the secondary data is obtained through a theoretical review.

The findings show that sustainability is of equal importance on a personal level for Western and Eastern Europeans. When exposed to sustainability marketing, Western Europeans have an increased positive brand perception in comparison to Eastern Europeans which also indicated increased customer loyalty. However, both groups displayed a low level of trust when it comes to believing sustainability marketing carried out by companies.

This paper is research-oriented final master thesis.

Key Words: Brand perception, Cross-regional, Customer Loyalty, Eastern European, Sustainability Marketing, Western European.

## INTRODUCTION

**Relevance and topicality.** Sustainability concerns are extremely important in today's society. In the past, businesses merely needed to provide high-quality goods at affordable rates to satisfy a large number of customers. Yet as people's concern about the environment and other social concerns has grown, they've become more eager to support groups that share their beliefs. As they often provide strong market returns and exhibit resilience during economic downturns, many investors want to support businesses that practice sustainability. These businesses also have a higher likelihood of complying with social and environmental laws (Belz & Peattie, 2009). In the absence of society's support, organizations will no longer be able to sustain their existing rates of business growth.

Relationships between a customer and an organization have also moved towards a more value-based transaction. Customers are more likely to make larger purchases from businesses that share their beliefs and ideas. Consumer values are evolving quickly and steadily in favor of sustainable development. Due to this quick change in attitudes, marketing communications must now be based on acceptable sustainable marketing concepts. Businesses' use of sustainability marketing communications in product promotion helps people live healthier lives by encouraging them to buy sustainable, environmentally friendly products.

Moreover, it is important to note that customer values vary across countries and regions (Hofstede, 2001). Consequently, this implies that sustainability marketing tactics that may be effective in one region may yield completely different results in another. This can be caused by a wide range of factors, including cultural differences such as individualistic and collectivist societies, or the level of development in the region. Studying these differences can be crucial in understanding the necessary adjustments to sustainability marketing strategies across different regions. Although Europe is often viewed as a single entity, moving from Western to Eastern Europe reveals significant cultural and contextual variations, whether in terms of societal norms or political orientations.

**Research problem.** Sustainability has grown in importance when it comes to how companies conduct their activities. However, for the longest time it had been treated as a strategy that only targets a niche group of people (Bernyte, 2022). Bernyte (2022) found that in the retail sector that operates in Lithuania the main flaw is that no company seems to be positioning itself as the market leader in sustainability or concentrating on organizational sustainability development. This further enforces the aforementioned gap in brands and their sustainability marketing efforts in the Eastern and Western European society. Batraga, Skiltere, Salkovska, Bormane, & Legzdina (2019) analysed integrated marketing communication in the context of sustainability and its influence on customer buying decisions. The research was

quantitative in nature based on a wide scale survey conducted. On the other hand, Milfeld & Flint (2019) examined the core affective response of consumers when companies made sustainability core to their brand image. This research was qualitative in nature which included long, in-depth interviews with consumers and their attitude toward sustainability marketing. While Sarmad and Ali (2022) explored the determinants of sustainability marketing activities and its impact on customer loyalty, it is evident that the exploration of the relation between sustainability marketing communication and customer loyalty is scarce.

Moreover, there have been limited studies that have conducted cross-cultural examinations on the impact of marketing in Europe. In 2011, Mooij and Hofstede conducted research on Cross-Cultural Consumer Behavior. However, the study separated the markets into the Eastern world, including Asia and the Middle East, and the Western world, including Europe and America. Chwialkowska, Bhatti and Glowik (2020) discuss the impact of cultural differences on an individual's inclination towards sustainable actions and briefly touch on varying consumer behaviours in their study, "The influence of cultural values on pro-environmental behavior." However, there is still a lack of cross-regional research on the impact of sustainability marketing on consumer behaviour, particularly in light of the significant cultural differences between Eastern and Western Europe.

This master thesis will investigate the similarities and differences in the effects of sustainability marketing techniques on customers in Eastern and Western Europe. The study uses a combination of qualitative and quantitative measures, including comparative analysis of semi-structured focus groups and internet surveys. The thesis addresses the **research problem**: what is the impact of sustainability marketing on customer loyalty across Western and Eastern Europe?

**The object of the research.** The object of the paper is the impact of sustainability marketing on customer loyalty.

**The aim.** The aim of the paper is based on theoretical analysis of sustainability marketing and its effect on customer loyalty, empirically investigate the impact that sustainability marketing has on customer loyalty in the retail sector across Eastern and Western Europe.

In order to achieve the stated aim of the study, the **objectives** are:

1. To perform a theoretical conceptualization of sustainability marketing and its correlations with customer loyalty.
2. To examine the cultural factors and identify regional differences between Eastern and Western Europe in the context of marketing.
3. To elaborate the research methodology for the cross-regional comparison of the impact of sustainability marketing on customer loyalty.

4. Based on the elaborated methodology, to empirically determine the impact of sustainability marketing on consumer loyalty in the retail sector across Eastern and Western Europe.

The work consists of 3 main parts:

**In the first part of** the paper focuses on scientific literature based on sustainability marketing activities and its conceptualization. It is a theoretical analysis of the values and principles that are attached to sustainability from the customer's perspective. Further it will examine the correlation between sustainability marketing and customer loyalty as seen in existing literature. Additionally, this paper will identify the parameters that distinguish Western and Eastern Europe based on cultural factors and regional differences. Finally, it will conduct an in-depth analysis of other cross-regional studies in the field of sustainability marketing to understand the frameworks or models used for such comparative studies.

**In the second part of** the paper will outline the methodology used to collect the data, the structure of the qualitative and quantitative research and the justification behind the chosen method. Further, 3 assumptions will be presented based on the information gathered in the literature review and focus groups. Based on the themes revealed an online survey will be conducted to gather quantitative data. An in-depth analysis will be conducted based on the data collected to support or negate the research assumptions.

**In the third part,** the qualitative data collected from the focus groups and quantitative data from the online surveys will be analysed and calculated to display the results of the research. A triangulation of the data will be conducted to connect the information from the literature review, focus groups and surveys to provide comprehensive conclusions.

**Research methods.** For this research, a combination of secondary and primary data analysis is conducted. Secondary data will include a theoretical analysis of literature on the concepts of sustainability marketing communication, customer loyalty and the correlation between the two concepts. It will also include determination of Eastern and Western Europe and an analysis of other cross-regional studies in the marketing field. Primary data will include qualitative data from focus groups and quantitative data from online surveys. Based on the theoretical analysis 2 focus groups will be conducted to draw out 3 research assumptions. Additionally, a structured online survey will be conducted to validate or negate the assumptions.

**Information sources.** The sources used in this research paper include scientific monographs, peer-reviewed scientific articles, data provided by market research firms such as Centiment and publications in scientific journals.

# **1. THEORETICAL ANALYSIS OF THE IMPACT OF SUSTAINABILITY MARKETING ON CUSTOMER LOYALTY AND CROSS-REGIONAL DIFFERENCES**

## **1.1 Conceptualization of sustainability marketing**

According to Kotler (1967), the traditional definition of marketing is the science and art of discovering, developing, and providing value to meet the demands of a target market while making a profit. Although this definition has changed and been modified, it has not yet been abandoned in mainstream marketing. In the past, marketing tactics and consumer communications were mostly based on the presumption of limitless resources and no negative effects on the environment. Product development, cost, transportation, integrated marketing communications, and the terminology utilized did not require revision. The goal was to increase desire for consumption by fostering it. As for the longest time, marketing had a primary goal, which was to increase sales. Overtime, the environment in which business takes place has morphed. Customers' expectations and values have shifted which also prompts for a change in the goal of marketing.

It is necessary to reevaluate marketing definitions, theory, and practice in light of the increasing awareness of finite resources and high environmental costs, or to replace them with new theories and conceptions that take environmental concerns into account. Notwithstanding the new marketing "panaceas," according to Gronroos (2007), marketing as a field is in trouble. Instead of viewing consumers as the individuals with whom something is done, conventional marketing continues to be focused on doing something to customers. According to Bormane, Skiltere, and Batraga (2017), society, including its behaviors and ways of thinking, is a crucial component of sustainability. These viewpoints are ignored by conventional marketing definitions.

These rapidly changing environments and dynamics raise the question of whether the concept of marketing needs to be reinvented or simply modified especially considering the growing importance of sustainability. According to Kotler (2011), traditional marketing needs to be redefined. He argues that connections and relationships should be the main goal of marketing. It is important to understand the significant differences between the pre-sustainability and sustainability obligations in the eyes of businesses and consumers. As marketing has evolved, so have the consumers expectations from the companies. Before the wave of realisation that our resources are finite, sales-based marketing was effective enough.

However, after sustainability becoming a priority in major aspects of the world such as governments, organisations, institutes and the mass consumers, simply modifying the definition of marketing is not enough. The entire understanding of the relationship between a company and a consumer must be reinvented. The environmental effects of unsustainable economic practices and consumption patterns are coming to the attention of consumers. For marketers, there doesn't appear to be any disagreement over the connection between marketing and sustainability. However, the concerns of sustainability in marketing pose significant concerns about what is considered to be sustainable and how this may be achieved in marketing for people in macromarketing, neuromarketing, and others outside the marketing discipline (Prothero, McDonagh, & Dobscha, 2010). In addition, the fact that there are several definitions of sustainability marketing shows how debatable the notion still is. Regarding the interchangeability of sustainability, sustainable marketing, and green marketing, there is still some uncertainty. Sustainability and sustainable marketing have been used interchangeably by some, while others have claimed that they are two distinct ideas (Belz, 2005). The same is true for the interchangeability of the terms "green marketing" and "sustainable marketing." The majority of papers have concentrated on the consumer sector, but some, like those by Sharma, Iyer, Mehrotra, & Krishnan (2010), have also looked at the business-to-business industry. It is still difficult to conceptualize and theorize sustainability, nevertheless.

According to Belz (2006), relationship marketing and traditional marketing principles involving business transactions are combined in sustainability marketing. The term "sustainability marketing" refers to a marketing evolution that combines traditional financial and technical points of view with relationship marketing's nascent ideas in addition to the socio-cultural, ethical, and environmental as well as the cross-generational perspectives of the goals of sustainable development (Belz, 2006). Not only do customers prefer companies that participate in sustainable activities, but they also tend to avoid companies that do not make efforts to minimize their unsustainable practices. For a company to include sustainability as a core to their marketing strategy is becoming increasingly unavoidable.

While traditional marketing meets consumer requirements and desires in the most cost-effective way, sustainability marketing employs an integrated strategy that incorporates identifying and meeting client demands in a sustainable way. Traditional marketing ignores how products and services affect the environment, whereas sustainable marketing places a strong emphasis on delivering long-term environmental benefits. Customers are more likely to trust the strategy and communications of companies and brands whose core business is sustainable marketing.

According to Martin and Schouten (2012), sustainable marketing is the process of developing, conveying, and providing value to customers in a way that preserves or improves

both natural and human resource. A two-part interpretation of sustainability marketing is provided by Belz and Peattie (2013): planning, organizing, implementing, and controlling marketing resources and programs to satisfy consumer wants and needs while taking into account social and environmental criteria and achieving corporate objectives. Second, putting a focus on establishing and maintaining long-term relationships with clients, the community, and the natural environment.

The motivations for applying sustainable marketing, according to Rountree & Koernig (2015), centers on gaining/maintaining a positive reputation, saving expenses, distinctiveness, and anticipating regulations. Sustainability marketing, as defined by Lim (2016), encompasses economic, environmental, social, ethical, and technical dimensions of sustainability; yet this conceptualization is still insufficient to describe the idea, boundaries, and real-world implications of sustainability marketing.

According to Lunde (2018), there are many alternative ways to define sustainable marketing. According to the author's analysis of 20 years' worth of literature in the field of reverse marketing, sustainable marketing is the strategic creation, communication, delivery, and exchange of offerings that create value through consumer consumption behaviours, business practices, and the marketplace while minimizing environmental harm. This description attempts to encompass most of the aspects of sustainability marketing including all necessary actors. Additionally, the author mentions that enhancing the quality of life and wellbeing of customers and other global stakeholders, both now and for future generations, is another aspect of sustainable marketing. While this definition is quite well structured, it does not explore sustainability in context of the traditional marketing.

To summarize the conceptualization, it is clear from the definitions offered by the relevant scholars that traditional marketing definition is in no way replaced by sustainable marketing or the notion of sustainable marketing. The rise in aspects that must be taken into account for long-term advantages merely adds a more holistic approach. The organization, customers, and environment all stand to gain from this. There is a lot of potential to investigate the principles that consumers identify as sustainable and how those concepts are reflected in the business tactics that have been chosen within the definition of sustainability marketing. The concept of sustainability marketing and the interchangeability of the terms sustainable, sustainability, and green marketing are still being debated in literature and there is much room for the concrete determination of what aspects can be considered as sustainability marketing. While the definition is ever evolving, most authors come to the conclusion that sustainability marketing includes activities that minimise environmental harm in as many aspects of the marketing processes throughout the marketing mix, which includes price, promotion, place and process and everything it encompasses. The subject of sustainability marketing is ever evolving

and while scholars are constantly researching the field, there is much to discover with research that spans across regions and varying contexts.

## 1.2 Components of Sustainable Marketing Activities

Dyllick and Hockerts (2002) state that environmental, social, and economic factors can all be included in sustainable marketing operations. These are widely known as the 3 main pillars of sustainability marketing. These principles of sustainability are the foundations of what this concept represents. The ideas of sustainable marketing are applied to customers' and the local community's sectors of the economy and decision-making processes, including sales and manufacturing, as well as to their social environments and ethical standards. This concept is clearly depicted in a visual format in *figure 1* presented below.

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### Figure 1

*Three pillars of sustainable marketing*



*Source:* Dyllick, Thomas & Hockerts (2002)

Sustainability, according to L. P. Thiele of the University of Florida's Center for Sustainability Studies (Thiele, 2013), also rests on three pillars: society, ecological, and economics. These are essentially synonyms for the aforementioned terms; social, environment and economic. One cannot survive without the others since they are all tightly connected. J. Strube, a former CEO of the German chemical corporation BASF SE (Strube, 2006), shares this belief that the 21st century's success would depend on sustainable growth in the fields of the economy, ecology, and society. It is impossible for society to maintain social stability and environmental conservation at the price of furthering its economic progress. The

implementation of these pillars involves the implementation of sustainable marketing mix methods, such as sustainable products, pricing, places (distribution), advertising (communication), and people (workers). It is evident that most authors and experts in this field agree that the three main pillars of sustainability and thus sustainability marketing is society, economics and environment.

As societal interest in sustainability grows, businesses use sustainability management methods to become closer to customers. Recognizing cultural variety is the goal of cultural activities (Kim & Schellhase, 2015). Recent sustainable marketing initiatives have marked the beginning of an age of mutual advantage management outside of corporate. Gladwin, Kennelly, and Krause(1995) claim that sustainable marketing strategies aim to promote mutual growth and harmony among a number of elements, including society, culture, economy, and environment (Gladwin, Kennely & Krause, 1995).

Social marketing techniques are community welfare activities that assist a corporation in achieving additional objectives aside from business chores aimed at maximizing sales. Social interactions frequently have a beneficial impact on how customers perceive a brand. Consumers' intents are influenced by a company's social activities, including their reactions to and feelings about its items (Bhattacharya & Sen, 2003). These social interactions help improve the brand perception and makes the company seem more approachable and relatable. Consumers are more likely to interact with brands that engage on social activities to help reflect their sustainable practices. In their 2016 study, Baldassare and Campo (2016) looked at communication for sustainability as a tool or business strategy that helps companies attract new clients and investors. They have created a sustainability self-assessment grid that highlights the value and competitive edge of marketing communication. The framework includes four distinct dynamic business stages, or dynamically sustainable ventures, with a range of marketing communication strategies for sustainability, paying particular emphasis to the corresponding expenses and advantages: If companies are ethical, do they choose to communicate about this issue. If not, do they choose to be more covert in their marketing communications for sustainability. If so, how do companies see their sustainability conduct as an integral part of their overall marketing strategy? If not, how can companies afford to take a chance and completely disregard the need to be sustainable? Threats and possibilities are also examined, including if sustainability may be used as a marketing strategy.

The authors conclude that the interaction between a firm and any stakeholders that are interested in learning about the company's sustainable actions should be transparent since it is a dynamic and hence controllable aspect of marketing communication. Communication transparency may be more than just a trait or quality. In light of this, marketing communication for sustainability needs to be used across all marketing platforms. Pomeroy (2017) studied

marketing for sustainability in the setting of rising consumption values, where the innovation of a company's communication may be executed as a system. He has concluded that in order to influence consumer behavior, one must develop more distinct marketing communications for sustainability, implementable a system, with a focus on packaging, marking, promotional and other marketing communication activities for sustainability with the aim of promoting ethical behavior, developing a consumption value, and catering to not only the wants and requirements each of the consumers.

Amalric and Hauser (2005) assert that exchanges of regional economic benefits for financial assistance are among economic marketing strategies. Financial gains from the activity may also flow to stakeholders in the community, including customers, employees, partners, and community members. Profits should be produced by creative goods and services and distributed to local stakeholders through innovation, value creation, and efficient management. Economic responsibility frequently increases revenue growth (Amalric & Hauser, 2005). The introduction of an e-commerce platform, the enhancement of the in-store experience, the modification of service provisions, and economical marketing initiatives can therefore raise profitability, subject to management effectiveness. Thus, making clear that the investment in sustainability is not just beneficial to the environment but also provides long-term increase in revenue and an increase in financial income.

According to Stone (2007), "any procedures meant to stimulate and support any transactions aiming at the satisfaction of human needs or desires so that the fulfillment of these wants and needs happens with little or no unfavorable environmental repercussions, organically" are included. These marketing initiatives are regarded as environmentally friendly. Banners produced from recycled materials, environmental protection for green development, and the production of ecologically friendly clothing products through reused shopping bag exchange activities are just a few examples. These activities become essential as consumers grow more engaged in environmentally friendly consumption (Zhang, Wu, Wang & Hao 2021). Many such activities or initiatives such as recycling bottles by depositing them are included in these sustainable activities.

To sum up, sustainability marketing is an all-encompassing strategy that incorporates social, economic, and environmental factors into corporate plans. These three pillars are the cornerstones that support sustainable marketing strategies that are meant to promote peace and reciprocal development among various stakeholders. Key components of sustainability marketing activities include social marketing, transparent communication for sustainability, economic marketing initiatives, and environmentally friendly practices. When taken as a whole, these components perfectly capture the all-encompassing character of sustainable marketing,

which aims to accomplish financial success while ethically tackling social and environmental issues. These components, however are not exhaustive and further research can expand on it.

### **1.3 Factors Affecting Customer Loyalty in the Context of Sustainability**

#### **Marketing**

There are multiple factors that correlate with customer loyalty that will help us better measure the effect of sustainability marketing on customer loyalty. In order to better understand how sustainability marketing affects customer loyalty, the following section will specify the factors and their correlation to customer loyalty.

#### **1.3.1 Brand Image and Customer Loyalty**

The use of branding helps consumers recognize the good or service being supplied and set it apart from the competition. Also, according to Hsieh and Lindridge (2005), brand image refers to how consumers perceive a brand through brand associations. So, it can be said that a brand's image is a collection of brand associations created and ingrained in consumers' minds. Consumers who often purchase a particular brand have a more consistent perception of that brand (Sondoh, Omar, Wahid, Ismail & Haru, 2007). This indicates that brand image has more to do with a consumer's perception of the company rather than what the company is willing to portray itself as. Brand image is heavily dependent on the reality of the situation rather than the company's mission statement or wishful thinking.

Brand associations, according to Grewal & Levy (2007), are the connections consumers have in their minds between a company's name and its important selling points, such as a slogan, logo, or well-known individual. The advertising and promotion efforts of a company frequently lead to these brand linkages. For instance, the Toyota Prius hybrid is well known for being affordable, a good value, and ecologically friendly while still maintaining a stylish appearance (Grewal & Levy, 2007). From this example, it is already evident that the brand image can often include sustainable practices as a core principle. Performance is linked with BMW and Audi. Essentially, a brand image usually has distinctive attributes attached to it. Mc Donalds is widely known as a fastfood company that has not link to healthy eating. When Mc Donalds tries to promote healthy eating, the values do not align with the brand image and the market segment and thus hurts the brand image. Similarly, when a company focuses its efforts on sustainability marketing, it builds an image as a company that recognizes customer

values and puts effort into aligning with them. Customers are more likely to be loyal to a brand image that aligns with their values.

According to Sari, a solid brand image can inspire client loyalty (Sari, 2005). Customers will, however, typically transfer to another brand anytime their needs change and the business is unable to meet those changing wants, according to Muir (Miller & Muir, 2004). Developing a strong brand image might affect repeat business because it can result in client loyalty. Additionally, customers who are devoted to a particular brand will endorse it to others and are less susceptible to being persuaded by rivals to make purchases. Thus, a strong brand image leads to consumers that are attached to a particular company and are more likely to advocate for the company and stay loyal even through minor crises or competition from other brands. According to Franco & Cicatiello (2019), branding with sustainability may improve customers' attitudes about buying the product and willingness to pay for it, as well as their contentment with it once they've bought it and loyalty to brands that bear that designation. To do this, it's crucial to raise consumer awareness of sustainable brands and their reputations, improve their understanding of how food production affects sustainability issues, and foster a social environment where a sustainable food culture is highly valued, encouraging consumers to make sustainable food decisions. However, the authors contend that in order to increase consumer awareness, businesses must also value the environment and the customer in addition to finding an efficient method and appropriate channel of communication.

Numerous studies have demonstrated that initiatives used by businesses to promote sustainability enhance their corporate brand image. The growth of firm revenues, enhancement of brand impression, and long-term performance are all positively influenced by sustainable competitive advantage (Shaukat and Ming, 2022). According to Maignan, economic sustainability marketing methods have a positive impact on the development of the business benefit and durability (Maignan, 2001). An organization with a positive reputation for its social obligations has a better reputation than one without. Customers thus adopt a favourable brand mindset (Madrigal, 2001). Sustainable activities are advantageous for long-term growth since they increase customer loyalty toward the brand rather than only producing short-term profit. Due to the positive brand impression and customer attitude fostered by a business's sustainable marketing operations, the company gains edge over rivals based on brand equity (Prates, Pedrozo, & Silva, 2015). If a business is successful in enhancing its capacity and desire to fulfill its social commitments, customers will gain from these efforts, have a stronger appreciation for the brand, and the company's exposure will improve.

To sum up, for market distinctiveness and customer awareness, branding is crucial. According to Hsieh and Lindridge (2005), brand image is not determined by a company's

planned depiction, but rather by customer perceptions and connections. Customers that buy from a brand often have a consistent opinion of it (Sondoh et al., 2007). Grewal and Levy (2007) stress that marketing is the process by which brand associations, such as logos or slogans, are generated. An example of a vehicle that is both affordable and environmentally friendly is the Toyota Prius. Respecting customer values, particularly those related to sustainability, encourages advocacy and loyalty as devoted clients are less likely to be influenced by rivals (Sari, 2005; Miller & Muir, 2004). According to Franco and Cicatiello (2019), sustainable branding enhances consumer attitudes, willingness to spend, and loyalty. A favourable brand image is created via the effective communication of sustainability initiatives, providing a competitive advantage and long-term advantages (Shaukat & Ming, 2022; Maignan, 2001; Madrigal, 2001; Prates et al., 2015). Companies with a strong brand reputation and a commitment to sustainability and social responsibility see a rise in consumer loyalty.

### **1.3.2 Customer Trust and Customer Loyalty**

Researchers have given the concept of trust a lot of consideration, particularly in organizational theory and marketing (Garbarino & Johnson, 1999). This idea can be examined at the individual, intergroup, and organisational levels of social interaction. Building and maintaining relationships with people who take part in an exchange process, especially those in buyer-seller partnerships with the aim of acquiring goods or services, is thought to require a high level of trust in marketing. Essentially, any transaction that requires one to lose something in order to gain something, there must be a certain level of trust.

Trust in a marketing context is typically tied to customer expectations regarding a company's ability to fulfil its commitments and uphold its promises. If a company places emphasis on the sustainability aspect of its activities, it is expected to follow through on those promises. This helps build trust in the context of sustainability marketing. These expectations are predicated on the company's expertise, integrity, and goodness (McKnight, Cummings & Chervany, 1998). Competence is expertise, and it represents a company's ability to complete transactions and meet client expectations (Smith & Barclay, 1997). As mentioned earlier, in the field of marketing and business, a certain level of trust is essential, which is only possible if the company has proven its capabilities in successfully carrying out what is promised. Honesty refers to the company keeping its commitments, while goodness shows the company's readiness to respect consumer interests when making decisions and organizing its customer connection activities.

According to some studies, trust is either the outcome of a chain of events that involves the numerous customer assessments made and their commitment or even loyalty, or it is a mediating variable within a model that incorporates multiple elements of the consumer-brand relationship (Guenzi, Johnson & Castaldo, 2009). This stipulates that trust is a result of repeated actions and ability to follow through by a company which then results in loyalty and long-term customer retention. Additionally, it connects brand image and consumer relationship to the level of trust gained by the company. It is widespread knowledge that certain brands have been extremely successful when it comes to using their brand image to spark customer trust as well as customer loyalty. A brand is a symbol of assurance for a certain good or service; it serves as a mark of approval for unquantifiable credibility, or trust. (Edsall, 2021).

The process of creating a trustworthy environment has already demonstrated the value of developing trust. Customers assess a service or product broadly, taking into account several factors like prior feedback and positive or negative word of mouth. Brand credibility, which reflects the benchmark of credibility, may encourage consumers' recurrent purchasing behaviour (Amine, 1998). Mutual trust underpins effective consumer-seller relationships, which in turn promotes customer loyalty. However, concerning the subject of sustainability marketing, Roschitsch points out in a study conducted that a mere 20 percent of consumers believe brands when they claim to be sustainable today since they are well-informed and sceptical (Roschitsch, 2020). Customers are becoming increasingly resistive to corporate blame-shifting strategies, especially when the evidence is readily available. Substantive proof will be needed to validate brand policies as customers shift toward making more ethical purchases. Therefore, ethical, forward-thinking sustainable companies stand to gain greatly. Many companies and brands have now realised the importance of gaining a customer's trust when it comes to sustainability claims.

The behaviors of their organization seldom match the sustainability goals they convey to their stakeholders, according to almost one-third of retail and consumer brand owners. The lack of data accessibility and transparency in the supply chain, according to Smurfit Kappa's research, prevents companies from increasing customer confidence in their sustainability activities. Monitoring a product's environmental effect at every point in the supply chain is one technique to increase transparency (Kappa, 2023). In summary, when it comes to sustainability marketing, in light of companies faking sustainability claims, gaining customer trust through transparency of data is key in order to affect customer loyalty.

To sum up, in buyer-seller interactions, trust plays a crucial factor. A company's knowledge, integrity, and transparency are the foundations of trust. It results from trustworthy, regular conduct and is essential for keeping clients. However, just 20% of consumers believe that sustainability claims are genuine, showing a high degree of distrust. To win consumers

over, businesses must be open and honest about their sustainability efforts and provide solid proof. Increased supply chain openness is necessary to bolster sustainability claims and foster durable customer loyalty. This revelation indicates the importance of every interaction between companies and consumers and the sensitivity with which transparency and trust are intertwined.

## **1.4 Cultural Factors and Regional Differences: Eastern and Western Europe**

One might argue over the definition and limits of what constitutes Central, Eastern, and Western Europe. There are, however, clear regional trends in people's perspectives on religion, national identity, minorities, and important social concerns, regardless of where the boundaries are formed. When contrasting the opinions of nations traditionally identified with Eastern vs Western Europe, particularly stark discrepancies become apparent.

Centrally positioned nations may have dominant attitudes that more closely mirror public mood in the West on some subjects, while on others they may represent popular ideas in the East (Pew Research Center, 2018). For example, like most of Western Europeans, Czechs are very secular, usually support same-sex marriage, and do not identify Christianity with their national identity. However, Czechs also seem to be less accepting to Muslims, more in line with their Eastern neighbours. Furthermore, the majority of Hungarians hold the traditional Eastern European perspective of national identity, which holds that being born in Hungary and having Hungarian ancestors are essential to being authentically Hungarian. However, only over 60% of Hungarians hold a religious belief, which is consistent with Western European levels of religion (Pew Research Center, 2018).

Given the significant cultural differences between Eastern and Western societies, it is reasonable to assume that marketing techniques will have varying effects on consumers depending on the prevailing political and attitudinal climate. It is widely acknowledged that climate change, environmental concerns, and sustainable consumption are highly politicised issues globally, and consumer attitudes towards sustainable marketing may be influenced by their political leanings (Song et al., 2017). The European Union has emphasised the significance of sustainable goals for the functioning of society. In recent years, it has become a core aspect of European values. However, there is a noticeable difference in the interpretation of European values between Eastern and Western European countries, which has been evident throughout history (Weymans, 2023).

European ideals are frequently used by leaders to support their positions on contentious political issues. However, various people may interpret the term "European values" differently.

Some associate it with the Christian legacy of the continent, while others associate it with a more expansive kind of political liberalism that includes democratic governance, refugee asylum, and a separation of religion and state. In the context of the European Union, which comprises 24 out of the 34 nations examined in this research, the phrase "European values" typically refers to what Americans may view as liberal principles (Farraro, 2015). The "Charter of Fundamental Rights of the European Union" provides protections against discrimination on the basis of sexual orientation and religion, the right of refugees to asylum, and assurances of freedom of movement within the EU (Fundamental Rights in the European Union: The Role of the Charter after the Lisbon Treaty | Think Tank | European Parliament, n.d.).

During these conflicts, the environment has become a crucial factor. Systems of power and governance, from municipal to EU levels, are intertwined with the state and sustainability of environmental resources. The eastern European region is currently facing significant challenges. These include the implementation of environmental and conservation programmes that may not be locally accepted, the promotion of exclusionary nation-building myths through cultural nationalism, and the emergence of authoritarian forms of government that threaten the operations (Politics and the Environment in Eastern Europe, 2021).

To conclude, Eastern and Western European nations have diverse cultural, economic and sociopolitical backgrounds. They can be categorized regionally, and Central and Northern European nations may display tendencies that correlate to the East or the West. Nonetheless, these significant differences make the need for diverse sustainability marketing strategies for different regions across Europe evident.

#### **1.4.1 Sustainability within Eastern and Western Europe**

Acceptance of sustainability marketing is driven by the population's recognition of the urgency of climate change and the need for sustainability. This section will briefly explore the attitudes of the general population towards climate change and sustainable consumption in Eastern and Western Europe.

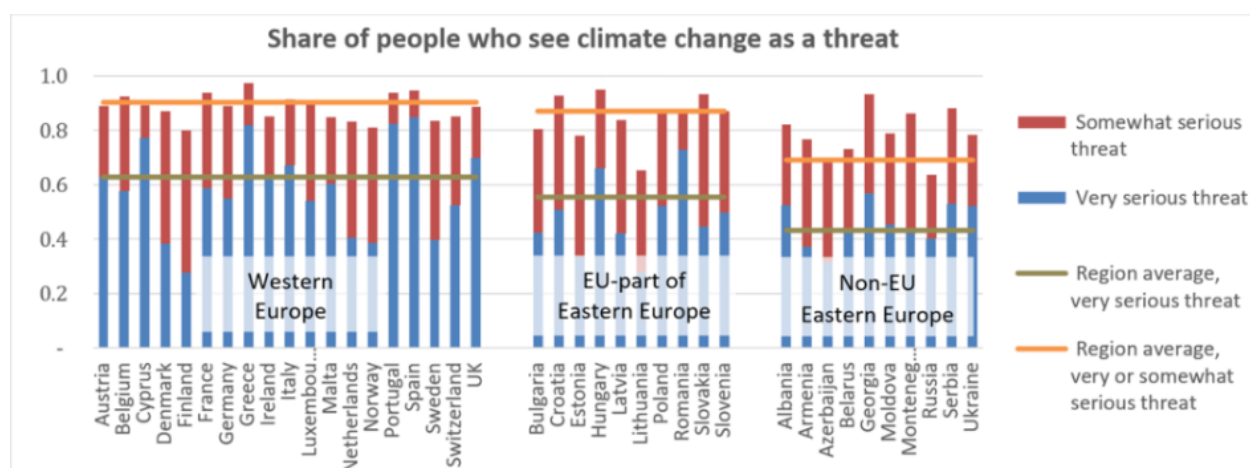
One of the most significant threats to humanity is climate change. Every aspect of society must work together to address it, from consumers changing their behaviour to businesses adopting new, greener business models and regulations changing. Even while a single person's impact on climate change may seem little, research indicates that the European Union (EU) may be able to lower its carbon footprint by around 25% if known improvements in consumer behaviour are mobilised (Moran et al., 2020). However, acknowledging the threat posed by human-caused climate change is the first step towards individuals changing their

consumption habits. Worldwide, the general public's ignorance about the effects of climate change is still rather high. Moreover, people in nations with higher pollution levels frequently show comparatively lower levels of worry about climate change. Its lack of awareness is poorly understood, partly because of the varied local influences at play (Farrell et al., 2019).

According to a Loyd's World Risk Poll (2021), Respondents in Eastern Europe are generally less concerned about climate change than those in Western Europe, despite the fact that there is a large variance in climate risk assessment within each area. In Eastern Europe, we see a similar tendency in both EU and non-EU regions. *Figure 2* shows a graphical representation of the Lloyd's World Risk Poll data, as interpreted by an article from the Stockholm School of Economics.

**Figure 2**

*Climate concerns in Eastern and Western Europe*



*Source:* Stockholm School of Economics (2021)

In the figure, the left panel shows averages for two pollution metrics across the regions: air quality, which is more closely linked to health hazards, and carbon emissions, which may reflect the harm posed by climate change overall. It is evident that the non-EU portion of Eastern Europe, which is the least ecologically sensitive area, has the largest CO<sub>2</sub> emissions.

Let's shift the focus from the urgency of climate change to the advancement of sustainable development objectives throughout Europe. The majority of European nations have specific national papers that outline all of the strategic goals for implementing the SDGs and modify them to fit local circumstances (Ignatov et al., 2019). Rydzewski (2015) found that citizens of Eastern and Western European nations have different perspectives on sustainable development. People in Eastern and Western Europe agree that the social component of sustainability is crucial. Countries in Western Europe have much greater levels of social capital. Furthermore, Western Europe views environmental challenges as more significant than Eastern

Europe. Therefore, compared to Western Europe, the social pillar is weaker, and the environmental pillar is obviously undervalued in Eastern European countries. The development strategies of the nations should take global political and economic objectives into consideration while striking a balance between economic, social, and environmental considerations (Mensah & Casadevall, 2019). This highlights the significant differences in the perception of social and environmental issues across Eastern and Western Europe.

#### **1.4.2 Cross-Regional Studies in Sustainability and Marketing**

Few studies have been conducted to understand cross-regional differences in sustainability marketing and its effects. Therefore, we will examine similar studies on cross-regional marketing and sustainable consumption separately to better understand the landscape.

The article 'Marketing Strategies of Western Consumer Goods Firms in Central and Eastern Europe' by Schuh and Holzmüller (2003) examines the effectiveness of western marketing strategies in Eastern Europe. The authors argue that these strategies are not effective due to the significant macroeconomic differences resulting from the fall of the Iron Curtain and the underdevelopment of Eastern European nations. However, this study may no longer be as relevant as the differences in development between Eastern and Western European nations have become more subtle, with differences now primarily lying in social and political aspects.

Hsu, Yeh, and Chung-Wen. (2010) did a study that included a cross-cultural study on consumers' level of acceptance toward marketing innovativeness. The present study employed Hofstede's five cultural dimensions to investigate the variations in cross-cultural customer acceptability of innovative marketing practices. Consumers from Hong Kong, Malaysia, Macao, Vietnam, Indonesia, Myanmar, and Taiwan are among the participants in this survey. Using 446 accurate surveys, this study aimed to demonstrate the link between national cultures and consumers' approval of creative marketing. However, the five cultural dimensions is not applicable to study the comparison between Eastern and Western Europe.

Finally, the study that comes closest to what this paper is trying to cover has examined how loyalty affects satisfaction in cross-cultural settings. Broyl's (2009) examined the impact of customer loyalty on the relationship that predicts future customer (re)purchase behaviour and the constructs of fulfilled expectations and customer satisfaction. A survey was administered to US and Chinese samples after developing a methodology for the behavioural and attitudinal elements of customer loyalty and using existing measures for the satisfaction dimensions and future (re)purchase behaviour. Structural equation modelling was used to analyse the data and evaluate theories derived from existing research. While the study was carried out across two

completely different continents, the similar methodology can be applied while analysing the differences across a given region. The study found that the results varied massively based on product, category and culture.

To sum up, the examination of current research offers insightful information on the challenges associated with cross-regional marketing and sustainable consumption. Schuh and Holzmüller's (2003) analysis of Western marketing tactics in Eastern Europe emphasises the necessity for context-specific methods and the difficulties caused by macroeconomic differences. Although the cross-cultural study on marketing innovativeness by Hsu, Yeh, and Chung-Wen (2010) provides insights into consumer acceptability in Asian contexts, its relevance to the Eastern-Western European dynamic is still unclear. On the other hand, Broyl's (2009) study of pleasure and loyalty in cross-cultural contexts offers a methodological approach that emphasises how crucial cultural subtleties are to comprehending consumer behaviour. When taken as a whole, these studies highlight the complexity of cross-regional marketing dynamics and urge for academics to take into account both cultural and socioeconomic aspects when analysing sustainable marketing.

## **1.5 Summary of Theoretical analysis**

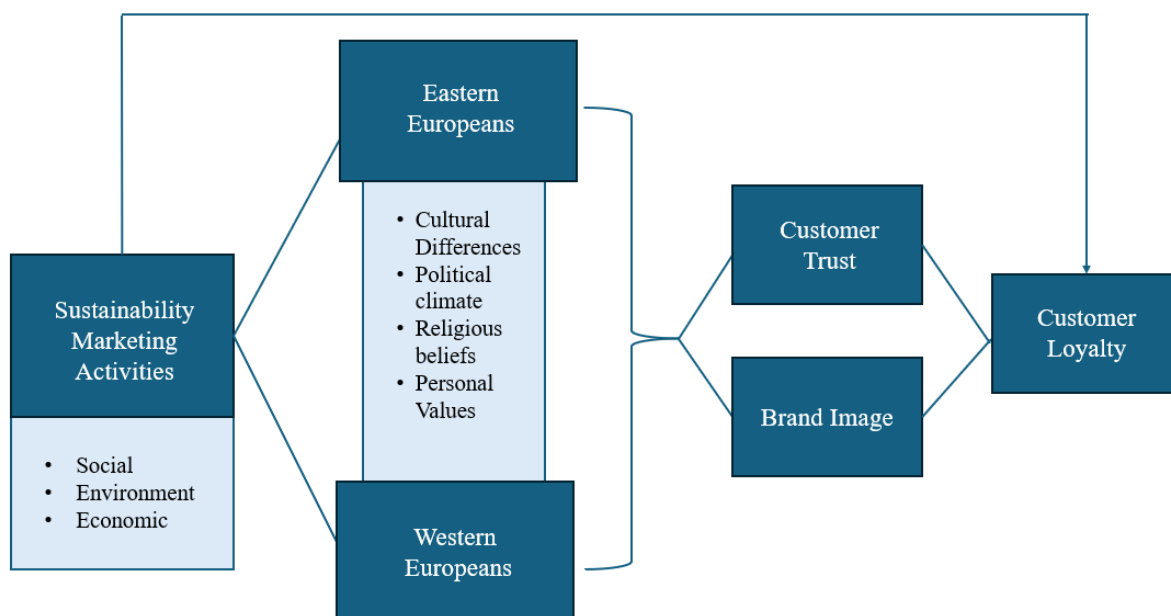
The theoretical analysis conducted in the prior chapters cover a series of definitions of sustainability marketing, the factors that are crucial to sustainability marketing (the 3 pillars) and the factors that have an impact on customer loyalty in the context of those sustainability marketing activities. The literature analyses has made it evident that sustainability marketing is a term that has been contested since the 1960s and is still ever evolving based on how the sustainable practices in different industries keep changing. Although the definition is constantly changing, the majority of authors reach an agreement that sustainability marketing encompasses actions that reduce adverse environmental impacts in as many marketing processes as possible, including price, promotion, place, and process, among other elements of the marketing mix.

Furthermore, the theoretical analysis showed a strong correlation between customer trust and customer loyalty (McKnight, Cummings & Chervany, 1998) as well as brand image and customer loyalty (Kappa, 2023). Previous studies (Shaukat and Ming, 2022) have indicated the positive link between sustainability marketing communication and brand image and customer trust. Hence it is logical to assume that sustainability marketing communication will have a positive impact on customer loyalty via improved brand image perception and customer trust.

Below is *figure 3*. displaying the research model used to explain the impact of sustainability marketing on consumers from different regions of Europe and how that then affects, brand image, customer trust and customer loyalty.

**Figure 3**

*Research Model*



However, upon reviewing the theoretical analysis of the literature on Eastern and Western Europe, it is clear that there are significant differences rooted in cultural and political aspects. The majority of the literature suggests that Eastern Europe has limited acceptance of sustainable consumption and a perception of Climate change urgency that is lacking. Therefore, it can be inferred that sustainability marketing strategies that are effective in Western European countries may not be well-received by Eastern Europeans. It is worth noting that the rising prices and the need for cost-effectiveness have been the recent trends that have encouraged Eastern Europe to adopt sustainable behaviours. It is worth noting that the rising prices and the need for cost-effectiveness have been the recent trends that have encouraged Eastern Europe to adopt sustainable behaviours. Additionally, there is limited research on customer loyalty in different regions. However, this study will use the model presented in *Figure 3*, along with quantitative and qualitative methods, to investigate whether there are significant differences in the reception of sustainability marketing between Eastern and Western Europe.

## **2. RESEARCH METHODOLOGY FOR AN ASSESSMENT OF THE IMPACT OF SUSTAINABILITY MARKETING ON CUSTOMER LOYALTY IN EASTERN AND WESTERN EUROPE**

### **2.1 Overview of the sustainability marketing activities used in the retail sector**

Climate change, rising poverty, rising population and scale of consumption, deterioration of ecosystems, rising global energy demand, abuse of resources that are renewable, and rising waste production are the main issues that businesses are facing (Govindan, 2018). According to research by Trojanowski (2021), one of the major obstacles to managers embracing sustainable marketing initiatives is that they are primarily motivated by the financial performance of the business. The major objective is to obtain value from the sustainable customer; therefore, earnings are still more important than the effects of marketing on the social or natural environment (Polonsky, 2011). Environmental awareness and consideration of environmental factors in corporate operations are less significant for them.

However, in the retail sector, sustainability marketing activities can be distinctively recognised evenly distributed across the marketing mix as systematically outlined in Kowalska's (2022) study of sustainable marketing tools. While considering products; Reduced packing materials and products made with a focus on lowering transportation costs are characteristics of sustainable products (Dotson, 2015). Research from previous decades demonstrates that eco-labeling is also a significant product-related marketing technique for both manufacturers and retailers since it enables them to differentiate themselves from the competition by offering useful information (Moon, 2017). Consumers should be able to comprehend a product's ecological qualities reliably and simply, in addition to its ingredients and origin, due to eco-labeling (Liu, Yan, & Zhou, 2017). The development of a brand's and a product's perception as offering social and/or ecological advantages is included in the view of a product as sustainable. This perception is greatly impacted by certifications and sustainability standards.

The idea of sustainable prices clarifies the company's financial and environmental expenses associated with manufacturing and marketing. Pricing that is sustainable should take into account consumers, rivals, company objectives (including social and ecological ones), and expenses (Richardson, James & Kelley, 2015). Businesses might provide discounts to

consumers who recycle packaging or biodegradable components of their purchases in order to increase customer support for sustainable products (Goh, Ariffin & Salamzadeh, 2019). Businesses that follow the sustainable business model attempt to invest in environmentally conscious innovations that will allow for long-term cost reductions rather than decreasing prices to increase sales.

The management of strategies for getting sustainable goods from their sources of origin to their final destinations is a requirement for sustainable distribution which is the third marketing mix tool (Davari, & Strutton, 2014). In order to decrease distances, minimize emission levels, and lower energy consumption, study of sustainable distribution involves utilizing the transport network to its full potential (Rondinelli & Berry, 2000). This also generally includes making important decisions about the supply chain such as having a centralised or decentralised warehouse, incorporating cross-docking, and ensuring an efficient system for the transportation and consumption of the materials so as to reduce waste and scraps. The reorganization of the supply chain and the creation of secondary marketplaces where reused or recycled elements may be sold are two marketing-related additional processes that sustainable distribution systems might entail (Trujillo, Arroyo & Carrete, 2014).

Finally, the fourth marketing mix tool; sustainable promotion is essential to communicate all of the efforts put into maintaining sustainable practices in the retail sector. With the use of such advertising strategies, consumers are to be persuaded that their decisions to purchase eco-friendly goods are wise and would benefit both humankind and the environment. The receiver should have access to clear, understandable product information that doesn't contain any misinformation that can sway their decision to make a purchase (Emrich, 2015). The promotional methods itself should also incorporate sustainability where digital methods are used in order to save paper waste or using recycled materials to make promotional merchandise.

In conclusion, the retail sector has very well-defined guidelines on how to practice sustainability marketing divided into the traditional marketing mix tool. This may not cover all the bases as we've established that the marketing field is ever evolving, but it is a good framework to be followed by companies willing to incorporate sustainability marketing into their brand image and core identity and is well recognised by multiple literature sources.

## **2.2 Previous research on the impact of sustainability marketing on customer loyalty**

There is limited research analysing the impact of sustainability marketing on customer loyalty, however, the few articles that analyse the link between these two concepts have

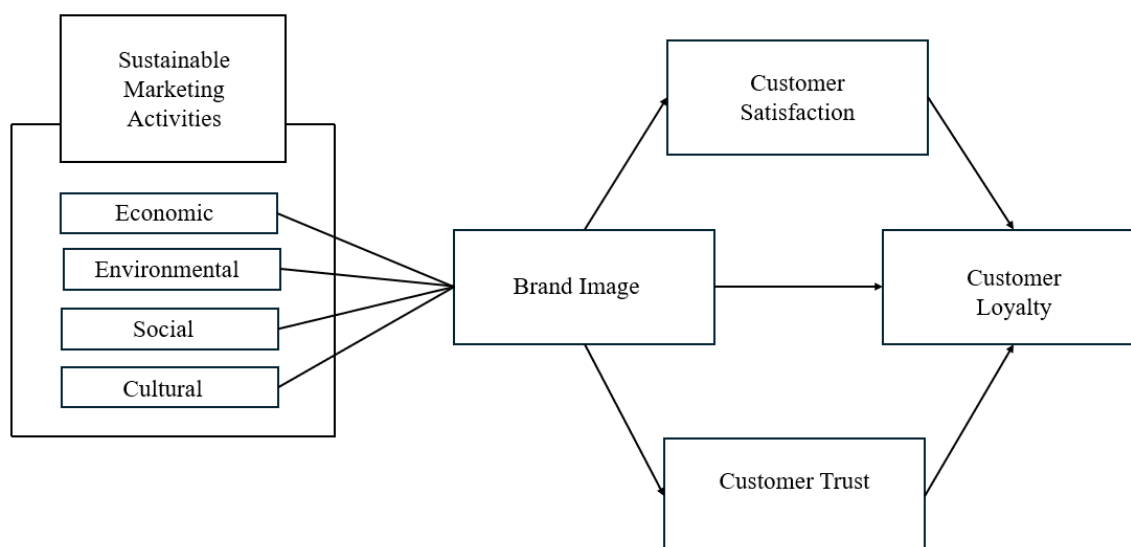
followed quantitative methods. For the purpose of analysing previous research methods, this section will cover research done linking the concepts of sustainability marketing and brand image, customer purchase intentions and customer loyalty respectively.

In their research article ‘Determinants of Sustainable Marketing Activities and their Impact on Customer Loyalty’, Sarmad & Ali (2022) explore the long-term, sustainable marketing initiatives used in the fashion industry as well as how these initiatives affect customers in terms of customer loyalty, brand perception, and customer trust. In this study, the convenience sampling approach was used. 268 were completely filled out surveys were used as a source of primary data to analyse the impact of sustainability marketing activities on customer trust, customer satisfaction and brand image perception. In the figure below, the conceptual framework used by the authors is given. Sustainable marketing activities were divided in 4 specific activities and correlations were found between these activities and their impact on brand image, customer satisfaction, customer trust and customer loyalty.

In *figure 4* presented below, is the research model used by the authors to conduct the study.

#### Figure 4

*Sustainable marketing activities of traditional fashion market and brand loyalty.*



*Source:* Sarmad & Ali, 2022

The findings of the study show that sustainable fashion business measures have a favorable impact on customer trust, brand image, and satisfaction levels. Additionally, they help companies achieve successful results for consumer loyalty. It indicated that respondents had an optimistic perception of companies that seemed to employ sustainable behaviours and

communicated it through marketing thus making them more likely to repeat purchases and sustain loyalty.

Another study conducted by Shah and Jan (2021) investigates the direct and mediated impacts of trust, credibility, and word of mouth in order to investigate the function of corporate social responsibility (CSR) in improving consumer loyalty. While CSR is a broad term, it acts as an umbrella term that encompasses sustainability marketing activities and sustainability marketing communication. This study also used the convenience sampling method and was a quantitative analysis of 463 respondents. The study's conclusions showed that CSR has had a good and considerable impact on consumer loyalty. Trust's mediating function was deemed to be insignificant. It was discovered that word-of-mouth and credibility were important mediating factors in the relationship between CSR and customer loyalty.

In summary, most of the previous research connecting sustainable marketing activities and customer loyalty have been quantitative in nature and determine customer loyalty through factors such as customer trust, customer satisfaction, brand image perception, credibility (also a synonym for trust) and have found positive impacts. For the purpose of novelty, this research paper will use a combination of quantitative and qualitative methods to first obtain initial data from focus groups and then design a survey to collect quantitative data.

### **2.3 Changing consumer trends across Europe in the context of Sustainability**

According to Euromonitor's recent Consumer Trends report (2023), Eastern European consumers have been forced to cut back on purchases and seek more affordable alternatives due to rising living expenses, skyrocketing prices, and unpredictability about the future. Sustainable behaviour has become more prevalent, from simply purchasing sustainable products to performing sustainably in day-to-day interactions. The shift is primarily driven by the motivation of Eco Economic consumers, which includes minimising wasteful spending, using fewer resources (such as turning down the heat and using fewer appliances), and engaging in eco-friendly activities (such as recycling, reselling, and repairing). However, customers will not tolerate any compromises in product quality when given the option. In the retail setting, affordable sustainability is crucial as customers' primary incentive is to save money.

Retailers and other companies are coming up with creative methods to promote Eco Economic customers, such as lowering prices, supporting green projects, and providing affordable models such as recycling, repairing, and reselling. In October 2022, Lithuanian online retailer Knygos.lt introduced the ability to resell secondhand books through their platform. Launched in Estonia in the summer of 2022, Sumena is an e-commerce platform that

offers discounted excess items for sale. Food waste was a major issue in Scandinavian markets for a long time, which is where this movement originated. Nonetheless, consumers in Estonia are also driven by reduced food costs and are become more conscious of and committed to the battle against food waste.

The trends presented above demonstrate the importance for businesses to customize their products and services for Eastern European consumers while balancing consumer needs with business efficiency during times of economic downturn and uncertainty. The war in Ukraine, potential energy price shocks, and rising costs of living will continue to be major factors affecting consumer confidence. Consumers will continue to seek better value for money from the products and services they purchase. Therefore, companies should focus on cost-effective options that prioritize quality, durability, and energy efficiency while avoiding unnecessary waste of food and energy. This presents an opportunity to adjust sustainability marketing efforts in these countries.

## 2.4 The research design

To accomplish the goals of the research paper a combination of qualitative and quantitative research methods has been applied.

*The aim of the empirical study* is to conduct a comparative analysis of the impact that sustainable marketing activities have on customer loyalty across Eastern and Western Europe in the retail sector.

*Object of research* is the impact of sustainability marketing on customer loyalty across Eastern and Western Europe in the retail sector.

*Objectives of the empirical study are following:*

- Based on 2 focus group discussions on sustainability marketing activities, identify the key factors that affect the customer loyalty in the context of sustainability marketing and design a structured survey to be administered to demographics including Eastern and Western Europeans.
- Applying questionnaire survey, to collect the quantitative data and conduct statistical analysis to identify similarities and differences in the impact of sustainability marketing on customer loyalty across Europe.
- Summarise the research results and provide a scientific discussion on the impact of sustainability marketing in the retail sector.

The research statements are established based on the literature review, and will be verified using the chosen research methods:

- RS1: *Western European consumers have a higher sense of personal importance associated with sustainability in comparison to Eastern European consumers*. Since the social and environmental pillar in the context of sustainability is much stronger in Western Europe than in Eastern Europe (Rydzewski, 2015).
- RS2: *Western European consumers are more likely to have improved brand perception, hence increased customer loyalty in comparison to Eastern Europeans when exposed to sustainability marketing*. Since factors that influence brand perception in one region often differ in another based on the political climate (Anderson & He, 2006) and currently, sustainable initiatives are not entirely well-received in Eastern European countries (Politics and the Environment in Eastern Europe, 2021).
- RS3: *Western European consumers are more likely to have increased customer trust, hence increased customer loyalty in comparison to Eastern Europeans when exposed to sustainability marketing*. Western Europe has proven to be more receptive to the importance of climate change, environmental factors and the need for companies to have sustainable activities (Stockholm School of Economics, 2021).

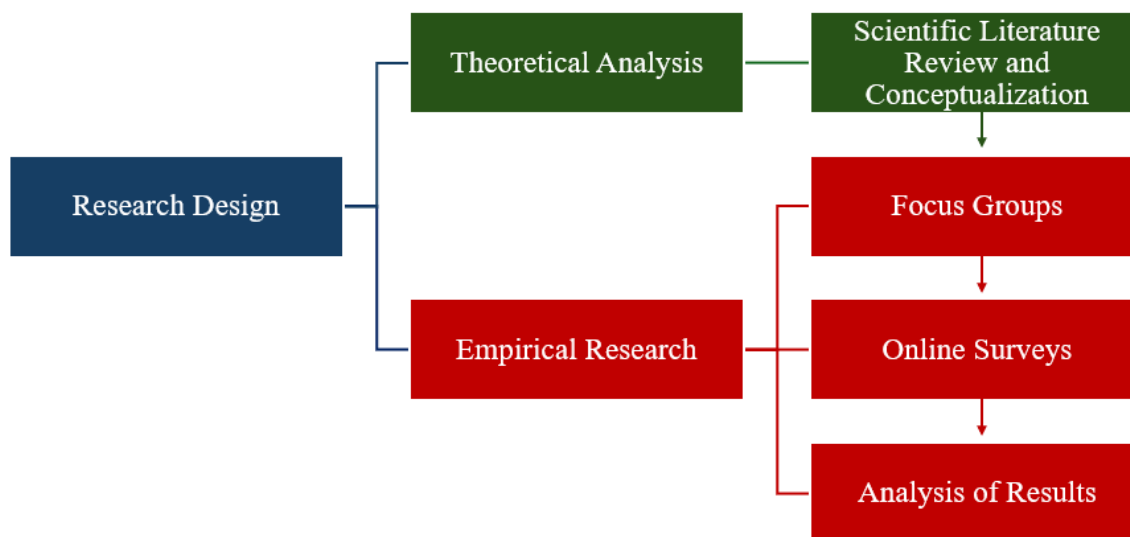
**The methods** used in this paper include secondary data collection as well as primary data collection through 2 comparative focus group discussions and an online survey based on the results of the focus groups. Data that is gathered by a user other than the main user is referred to as secondary data. Census data, information gathered by government agencies, company records, and data that was initially gathered for other research goals are all common sources of secondary data for social science. Contrarily, primary data are gathered by the researcher who is performing the study. Secondary data analysis can give larger and higher quality databases that would be impossible for any individual researcher to acquire on their own, saving time that would otherwise be spent collecting data. This is especially true for quantitative data. After conducting the initial literature review it aided in finding a structure for the focus groups.

A focus group is a small group interview with participants who have other characteristics or experiences in addition to having a comparable demographic. Their responses to queries posed by the researcher or assessor are investigated. In market research, focus groups are used to better understand consumers' responses to goods or services or participants' perspectives of common experiences. The dialogues may be mediated or unmediated (Calder, 1977). Focus groups are interactive, allowing researchers to gather qualitative information from a number of people, and are therefore frequently a quick, easy, and effective research technique (Kitzinger, 1995). The purpose of conducting a focus group for this particular research topic is the visible gap in qualitative research when it comes to analysing customer loyalty with regards to sustainability marketing. A majority of studies on this topic rely heavily on large scale

quantitative data collected through surveys which allow for understanding what a consumer's reaction to certain sustainable marketing activities is. However, focus group as a research method supports not only the understanding of what but also why the customer has a certain reaction. This research study is unique as it is tasked with addressing the 'why and now what?' issue as more and more of the research process, particularly quantitative research and analytics, is switched to tech-based solutions to address the 'who, what, when, where, and how' of business concerns. The research then used the information gathered through the focus groups to create a structured online survey and confirm or deny the initial assumptions made during the focus group.

Over the past several years, the utilisation of online and mobile research methodologies, such as online surveys, has experienced a significant increase. The emergence of new technologies has enabled researchers to conduct studies at a fraction of the cost and time previously required. This facilitates the collection of data in a more efficient and beneficial manner (Salvatori, 2023). Online surveys are questionnaires designed to collect input from your target audience. They are often fillable forms that are performed online. Online questionnaires come in a variety of forms and lengths, with options for multiple-choice, ordinal scale, short response, and other question kinds. The advantages of online surveys include access to larger audiences through multiple platforms including social media, low costs, convenience of flexibility in time and the ability for respondents to be more honest as it assures complete anonymity (David, 2024). However, online surveys are not perfect and have disadvantages as well. Disadvantages include, survey fraud, limited respondent sampling, response bias and no explicit clarification of the questions (Salvatori, 2023). To avoid these disadvantages or at least minimise its effects on this research, a combination of qualitative and quantitative methods has been applied.

This thesis attempts to use triangulation research methods in order to gain a comprehensive understanding of the research problem proposed. Methodological triangulation is a research strategy that involves the use of multiple methods to address a single research question. This is the most common form of triangulation, and it involves the integration of qualitative and quantitative research methods within a single study (Patton, 1999). Triangulation has also been regarded as a qualitative research strategy for the purpose of testing the validity of a hypothesis through the convergence of information from different sources (Carter, et.al, 2014). Considering all the information provided above the research design can be visually displayed in the *Figure 5* presented below.

**Figure 5***Research Model*

The present study also provides a comparative analysis on sustainable marketing and its performance in brand image, trust, and customer loyalty across Eastern and Western Europe in retail sector. Factors of sustainable marketing activities include Economic, social, environmental, and cultural factors as mentioned in the literature review above.

### **Description of the methods of data collection**

#### ***Focus Groups***

For the purpose of clarity, the European countries were first identified as Eastern or Western European. The *Table 1* below shows the reference used for this study that identifies which countries are considered Eastern or Western.

**Table 1***Eastern and Western European countries*

<b>Western Europe</b>	<b>Easter Europe</b>
Austria; Belgium; Switzerland; Germany; Denmark; Spain; Finland; France; United Kingdom; Ireland; Iceland; Italy; Luxembourg; Malta;	Albania; Bulgaria; Bosnia and Herzegovina; Belarus; Czech Republic; Estonia; Greece; Croatia; Hungary; Lithuania; Latvia;

Continuation of Table 1

Western Europe	Eastern Europe
Netherlands; Norway; Portugal; Sweden	Russian Federation; Serbia; Slovak Republic; Slovenia; Ukraine; Moldova; North Macedonia; Montenegro; Poland; Romania

Source: compiled on the basis of the UN region allocation

For the focus groups, 2 sets of 8 students were gathered. Each focus group consisted of students between the ages of 18-30 that identified as Eastern European or Western European based on the classification visible in the table above. The focus groups were held 2 days apart and consisted of the same set of questions. Due to the limited resources, the researcher was the acting moderator of the focus group as well and helped guide the discussion. The participants were all asked a set of 8 questions that were open in nature and were allowed to discuss them and share their personal opinion. The participants were also given the opportunity to rephrase their thoughts or challenge another participants opinion to better understand the overall standing of the group. The first question asked was designed to help get the participants acquainted with each other and the set up was casual in nature so the discussion would feel informal. The participants were all informed about the topic beforehand and had the choice to opt out. None of the participants have expressed the desire to be fully named in the research. The first few questions were introductory to the definitions and then followed an increasing intensity of technicality to help them get familiar with the topic. Both focus groups were organised in nearly identical circumstances to not affect the outcome or perpetuate any biases. The questions used for the focus groups can be found in Annex 2. Additionally, *table 2* presented below encompasses the questions used for both focus groups and their intended purpose.

**Table 2**

*Focus group questions and their purpose*

Question	Purpose
What comes to mind when you hear sustainability marketing?	To get the group acquainted with the concept and establish a working definition
Is it important for companies to employ sustainable practices?	To draw out general attitudes toward sustainability marketing done by companies
What do you consider sustainability marketing activities on behalf of companies?	To understand if participants can identify sustainability marketing activities
While picking a product, do you intentionally look for signs of sustainable practices?	To grasp personal importance of sustainability
When a company markets its sustainable practices, does it improve your brand perception of it?	To estimate the impact on brand perception when participants are exposed to sustainability marketing

**Continuation of Table 2**

<b>Question</b>	<b>Purpose</b>
Do you feel like sustainability marketing increases your trust in a brand?	To assess the groups' trust in sustainability marketing
Are you more likely to repeatedly buy from a company that proves its sustainable practices?	To evaluate loyalty toward brands when exposed to sustainability marketing
Do you believe companies with sustainable practices earn your loyalty?	To further confirm loyalty toward brands when exposed to sustainability marketing

### *Online Survey*

Based on the results from the focus groups conducted, a structured online survey is designed. The online questionnaire was used to gather survey data, and Google Forms was the platform of choice due to its user-friendly design and ability to employ a variety of question kinds, including multiple choice, open-ended, checkbox, and others. A 7-Point Likert Scale, a reliable assessment instrument that captures subtleties in opinions, attitudes, and perceptions within a specific study setting, was used in the online survey. With a range of options from strongly disagree to strongly agree, the 7-point Likert Scale gives responders more options than the conventional 5-point scale (7-Point Likert Scale: Step by Step Guide, n.d.). Participants may express their opinions more precisely since each point on the scale denotes a different level of agreement or disagreement. For example, the midpoint at 4 usually symbolises a neutral opinion on a scale from 1 to 7, where 1 denotes severe disagreement and 7 indicates strong agreement. In the survey, statements were given to respondents, and they may then rate how much they agreed or disagreed with each statement using a 7-point Likert scale. This method made it possible for participants to provide more thorough and nuanced comments, which helped researchers better grasp their attitudes and impressions of the subject of the study.

A set of 16 Likert type statements were provided to the respondents with a specific sequence to initially understand the importance of sustainability on an individual level, their perceptions of sustainability marketing activities incorporated by companies when identified or not and finally the impact on customer loyalty. These statements are variables chosen to understand the effect on the aforementioned aspects. The statements are crafted based on the findings from the theoretical review as well as the themes and sentiments raised by the participants during the focus groups. Finally, 4 demographic questions were asked to understand the gender, age bracket, employment status and the regionality of the respondent. The respondents were asked to self-identify as Eastern or Western European based on a list provided since many of the respondents were Erasmus Exchange students who aren't necessarily living in the country they associate most with. The entire questionnaire can be found

in Annex 3. Below, is *Table 3* displaying the statements used to reflect the personal importance of sustainability. The table also presents the coding used to analyse the data once it was collected. For reference the code is presented alongside the statements. The statements reflect the practices on consumers on an individual level and reflect their beliefs on the matter. According to the theory as well as the focus group findings, the importance of sustainability on a personal level must differ among Eastern and Western Europeans. As mentioned above, the 7-point Likert scale allows the respondents to choose from a variety of attitudes based on what reflects their stance best. This should facilitate a deeper understanding of the 2 demographics and their attitudes toward sustainability.

**Table 3**

*Statements reflecting the importance of sustainability on a personal level*

Construct	Statements	Code
Sustainability as personal importance	I try to incorporate sustainable practices in my daily life.	SPI1
	I consciously make sustainable decisions while purchasing products at a supermarket.	SPI2
	I prioritize sustainability over other factors such as price and convenience.	SPI3
	I feel good about myself when I purchase a sustainable product.	SPI4
	I believe sustainable practices on an individual level are necessary and can make a difference.	SPI5

*Source:* Compiled by author based on theoretical analysis and focus group findings.

Below, *Table 4* reflects the statements used to understand trust and brand perception when exposed to sustainability marketing. When the concept of trust came up in the focus groups, there was an emphasis made on transparency and the ability to identify sustainability marketing and its activities. Hence the first statement is essential. Additionally, while composing a Likert statement it is important to make sure harsh words are not used to impose biases. To counter that the next few statements include opposing sentiments and a neutral sentiment to get a comprehensive understanding of where the respondent stands.

**Table 4**

*Statements reflecting trust and brand perception in context of sustainability marketing*

Construct	Statement	Code
Trust and Brand Perception	I notice and can identify sustainability marketing efforts made by a company.	TBP1

**Continuation of Table 4**

Construct	Statement	Code
Trust and Brand Perception	I believe all the sustainability claims made by a company.	TBP2
	I believe some of the sustainability claims made by a company	TBP3
	I do not believe any of the sustainability claims made by a company	TBP4
	Sustainability marketing positively impacts my perception of a company/Brand.	TBP5
	Sustainability marketing negatively impacts my perception of a company/brand.	TBP6

*Source:* Compiled by author based on theoretical analysis and focus group findings.

Finally, *Table 5* reflects the statements used to understand the impact of sustainability marketing on customer loyalty based on factors mentioned by participants in the focus group and the theoretical analysis. The participants brought up switching brands and also feeling a sense of moral obligation to contribute to brands that incorporate sustainable practices.

**Table 5**

*Statements reflecting customer loyalty in context of sustainability marketing*

Construct	Statement	Code
Customer Loyalty	I am likely to make a repeated purchase from a brand or company that presents itself as sustainable	CL1
	I would switch brands if I perceive another brand to be more sustainable	CL2
	I am willing to pay premium for products/services that are marketed as sustainable	CL3
	I feel a sense of moral obligation to support companies that prioritize sustainability	CL4
	I feel a sense of loyalty towards brands that promote sustainability	CL5

*Source:* Compiled by author based on theoretical analysis and focus group findings.

### ***Sampling***

Convenience sampling was used to choose the respondents because it wouldn't be viable to monitor a publicly accessible questionnaire. To gather Eastern European respondents, the survey was posted on multiple Facebook groups within Lithuania such as 'Resident of

Vilnius' or 'Kaunas Community'. To reach Western European respondents, the survey was posted on multiple social media groups in Brussels and Belgium. Considering the diversity in international populations in both countries, the respondents varied in nationality and provided a wide range of respondents. The survey was also sent via email to students from the economics faculty of VDU. These mediums were chosen since the author has ethical and easy access to these groups and emails. The survey clearly mentioned that only Europeans were required to fill out the survey and they had to self-identify as Eastern or Western European based on the options provided. The survey began on April 1, 2024, and stayed open for the entire month until it was closed on April 29, 2024. A total of 123 Eastern Europeans and 106 Western Europeans completed the entire survey providing enough data to conduct a comparative analysis. The data collected from the google forms, sorted, and transferred to an excel sheet.

IBM SPSS Statistics V.20 software package has been used for data processing.

### ***Reliability of the results***

In order to measure the reliability and quality of the data gathered to move forward with further analysis, the data was tested for normality (the Shapiro-Wilk Test) of distribution and Cronbach's alpha was calculated. Some of the results were found to be normally distributed while some were not normally distributed (the p values obtained for some were slightly below 0.05 which indicates a slight deviation from normal distribution). However, most data are not normally distributed when collecting information about various subjects. This is relevant when the outliers deviate extremely and have the possibility of skewing the results (Pizur, 2022). Additionally, according to the Central Limit theorem, independent of the population's form, the distribution of sample means approaches normality as the size of N grows for random and independent samples of N observations each. This means the distribution of a normalised sample mean converges to a conventional normal distribution under suitable circumstances. This is true even in the case when the initial variables exhibit non-normal distribution. (Imre Bárány & Vu, 2007) Furthermore, for a large data set with a sample size larger than 30, parametric measures are standard. Hence, for the analysis of the data, parametric calculations will be used.

All the Cronbach's Alpha coefficients for all 16 variables measuring the 3 aspects (Sustainability as personal importance, Trust and brand perception, and Customer Loyalty) were obtained higher than 0.7, which displays the reliability of the constructs. According to Nunnally (1978), a value higher than 0.7 proves the reliability of the data. Below in *table 6*, the Cronbach alpha for the 5 statements connected to sustainability as personal importance. The table also shows the reliability if each of the variables were deleted, and it reflects a value of higher than 0.7. This further solidifies the reliability of the variables.

**Table 6***Scale reliability for Sustainability as personal importance*

Statement	Cronbach's Alpha if Item Deleted	Cronbach's Alpha for all 5 Items
I try to incorporate sustainable practices in my daily life.	.82	.86
I consciously make sustainable decisions while purchasing products at a supermarket.	.82	
I prioritize sustainability over other factors such as price and convenience.	.85	
I feel good about myself when I purchase a sustainable product.	.83	
I believe sustainable practices on an individual level are necessary and can make a difference.	.85	

In *Table 7* presented below, the Cronbach's Alpha for statements representing Trust and Brand Perception is displayed. The values might be weaker than the other two constructs, however, a number above 0.7 still proves the data to be credible and ready for further analysis.

**Table 7***Scale reliability for Trust and Brand Perception*

Statement	Cronbach's Alpha if Item Deleted	Cronbach's Alpha for all 6 Items
I notice and can identify sustainability marketing efforts made by a company.	.71	.74
I believe all the sustainability claims made by a company.	.72	
I believe some of the sustainability claims made by a company	.72	
I do not believe any of the sustainability claims made by a company	.71	
Sustainability marketing positively impacts my perception of a company/Brand.	.73	
Sustainability marketing negatively impacts my perception of a company/brand.	.71	

Finally, the Cronbach Alpha values for the statements related to Customer Loyalty are presented in *Table 8*. These values show the strongest reliability and shows that it near accurately measures what is intended to be measured.

**Table 8***Scale reliability for Customer Loyalty*

Statement	Cronbach's Alpha if Item Deleted	Cronbach's Alpha for all 5 Items
I am likely to make a repeated purchase from a brand or company that presents itself as sustainable	.90	.92
I would switch brands if I perceive another brand to be more sustainable	.89	
I am willing to pay premium for products/services that are marketed as sustainable	.91	
I feel a sense of moral obligation to support companies that prioritize sustainability	.90	
I feel a sense of loyalty towards brands that promote sustainability	.89	

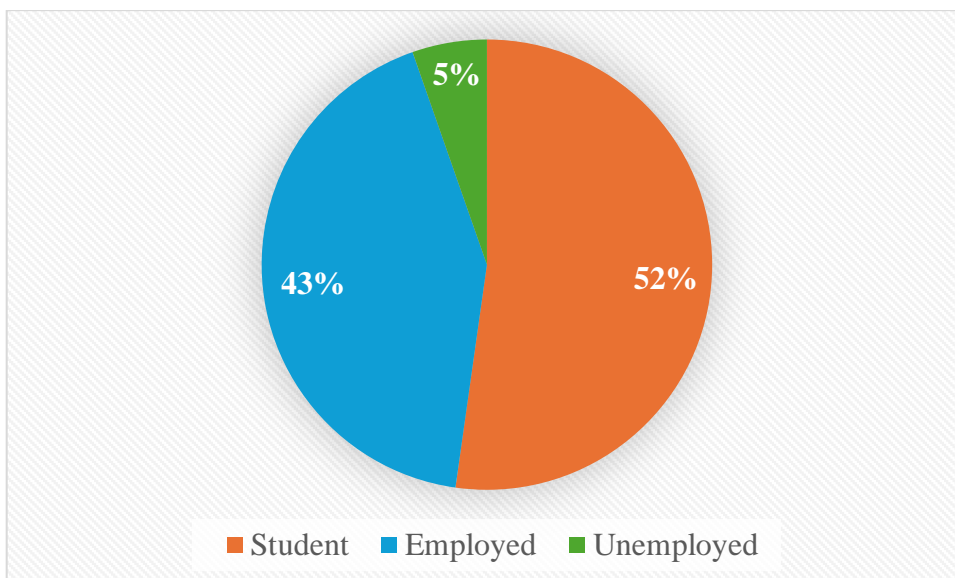
***Demographic data***

The next few figures will provide the demographic statistics of the respondents to give a better idea of the distribution of data. Demographic data contributes valuable insights into the sample that has been collected even if the sample is large enough. It is widely known that factors such as age, gender, employment status and others can have a range of a slight to significant effect on the tendencies of responses based on different topics and fields. In addition to the research set out to be done, displaying these findings provides great added value and allows for consideration of these factors while finally analysing the results.

Firstly, the gender divide included 71 percent female and 29 percent male which is a large majority for the female respondents. This hinders it from being a true representation of the population since men and women could possibly have differing attitudes toward sustainability and sustainability marketing.

The following *figure 6* represents the division of the employment status of the respondents. As it is evident, a little over half the respondents were students. While 43% of respondents were employed with either full-time or part-time jobs and only 5 percent that are unemployed. It is known that the different statuses lead to differing spending habits which can be a factor that influences respondents' attitudes when asked about the impact of the price of sustainable products.

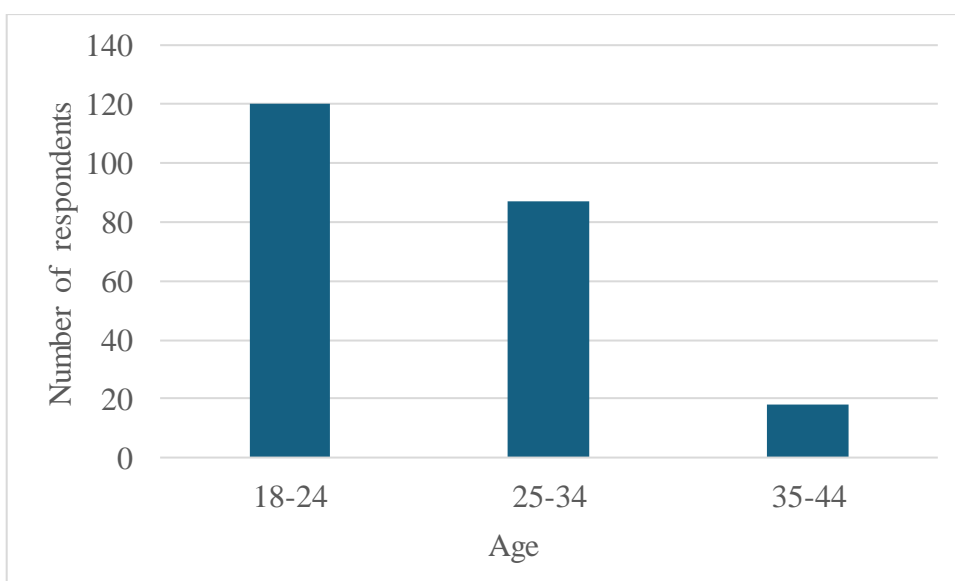
**Figure 6***Employment Status of respondents*



The next demographic chart (*figure 7*) displays the distribution among age groups. Consistent with the data regarding the employment status, majority of the respondents are in the age bracket of 18-24 who are most likely to be students or employed with part time jobs. However, there are only 19 respondents above the age of 34. This is crucial to keep in mind since older generations might have a difference in receptibility toward sustainability marketing and that opinion might not be represented in this study.

**Figure 7**

*Age distribution of respondents*



### ***Limitations of the Research***

One major limitation of the research is not being able to control the male and female respondents which resulted in a huge imbalance based on gender. Majority of the respondents

were female. This might be an obstacle in having a wholistic analysis devoid of biases. Furthermore, the research lacks respondents from certain Western and Easter European countries as it is dependent on convenience sampling. This can also skew the results. However, there is a sufficient variety which still allows for the credibility of the outcomes. Additionally, due to convenience sampling, the demographic is quite scattered and not equally distributed. Different age groups and employment statuses are involved among the respondents which could mean different things since the impact of sustainability marketing could be different based on individual backgrounds.

### **3. RESULTS OF THE IMPACT OF SUSTAINABILITY MARKETING ON CUSTOMER LOYALTY IN EASTERN AND WESTERN EUROPE**

#### **3.1 Description of the Focus Group discussions**

##### **3.1.1 General Insights from Focus Group Discussions**

As mentioned before, the set of questions asked to both the focus groups were identical. However, the moderator-maintained flexibility to explore any themes that might come up during the discussions. The first question asked was “What comes to mind when you hear the term sustainability marketing?” The purpose of this question was to familiarise the groups with the object of the discussion and make sure both the groups together agreed on a single definition of sustainability marketing to avoid miscommunication moving forward. Most of the participants almost immediately agreed that sustainability marketing was a form of communicating a company’s efforts to produce sustainable products or to implement sustainable processes, however the intention behind these practices were contested in both groups. The focus group containing Western European participants instantly moved the discussion toward the intention behind sustainability marketing of a corporation as 3 participants insisted that the companies are employing sustainable practices to simply keep up with trends and improve the reputation of the company. While 5 participants were of the opinion that companies and corporations are increasingly realising the importance of sustainable practices and their impact on the environment. However, through mediation, the group came to the consensus that while the intention is debatable, sustainability marketing involves actions to communicate a corporation or company’s efforts to maintain sustainable practices.

In contrast, the focus group containing Eastern European participants had a majority of 7 participants that strongly believed corporations are employing sustainability marketing tactics as to keep up with western trends. Only 1 female participant from Slovakia argued the importance of sustainability marketing and that even though intentions can be questioned for some companies; most companies adhere to the requirements as an attempt to reduce their impact on the environment.

Further, the participants were asked if sustainability as a concept was important to them and whether it aligned with their personal values. For the Western European focus group the answer to this question did not require much of a discussion as the participants unanimously

agreed that it is important to them and for the environment. A similar reaction was observed in the Eastern European group with possibly 3 participants not being as enthusiastic about the response but agreeing, nonetheless. This is an important observation since one of the drawbacks of focus groups can be participants altering their responses with fear of judgement from the rest of the group.

Moving to the more detailed questions, the Western European group had 7 participants that stated they intentionally look for signs of sustainable practices while buying products from the retail sector while only 1 participant stated that it was not something to be considered. This indicates that a majority of the focus group were more likely to favour companies that put effort into making their sustainable practices known. On the other hand, the discussion surrounding this question took place differently among the Eastern European participants. 2 participants from Lithuania and Ukraine respectively stated that it was not something they looked for as it is not something visible in every store. To add to this, the Ukrainian participant also mentioned how sustainably marketed goods are usually in the higher price bracket of items which discouraged him from purchasing them. It is also important to mention that this participant is a student which might be why affordability is a key factor. 4 other participants mentioned that it was simply not something they prioritised while shopping and the other 2 stated that it was an important criterion to them. This indicates that a majority of the focus group were quite indifferent toward companies that put effort into making their sustainable practices known.

Additionally, every participant emphasized the improved brand perception and reputation of a company if they transparently communicated and provided proof of their sustainable practices across the Western European focus group. Although, transparency seemed to be the key factor as the participants debated their scepticism over the trustworthiness of companies' marketing activities, especially large corporations. This scepticism was higher in the Eastern European group. However, examples such as Nike's efforts to maintain sustainable practices had brought us by a participant to which 4 participants agreed that companies that invest in sustainable practices and communicate them transparently improved their brand perception. Nevertheless, there was some level of agreement in both groups that a brand is perceived as better when they incorporate sustainability marketing communication in comparison to brands that show no trace of sustainable practices.

When the concept of trust was brought up, there was much debate in both groups since the participants have made their scepticism over the intentions as well as fakeness of large corporation's sustainability marketing activities previously. However, upon discussion, the group came to the conclusion that their trust could be earned through repeated proof of sustainable activities, but it was not something that was instantly gained though simple

marketing activities. The discussions in both groups involved recurring themes of the requirement of proof and transparent communication associated with trust.

Furthermore, in the Western European focus group, 6 participants agreed that they were more likely to repeatedly buy from a brand they were sure sourced products sustainably and remain loyal to the brand while the other 2 participants maintained the stance that it didn't necessarily earn their loyalty and their purchases would depend on trends and newer range of products. In contrast, 5 participants from the Eastern European focus group expressed that sustainability marketing did not affect their loyalty at all and they were more likely to be loyal based on quality or product or proven durability. While the other three continued the discussion and concluded that their loyalty could be earned if the company seems to use sustainability marketing with the intention to minimize their impact on the environment while maintaining reasonable pricing.

### 3.1.2 Comparative analysis of the Focus Group Discussion Results

Based on the topics discussed in the focus groups, there are clear distinctions between Eastern and Western Europeans' views and opinions about sustainability marketing. The following themes (*see Table 9*) appeared to stand out the most when comparing the effects of sustainability marketing on the two groups.

**Table 9**

*Eastern and Western European Opinions on themes brought up during the focus groups*

Themes	Eastern European	Western European
Positive perceptions of Intentions Behind Sustainability Marketing	1	5
Personal Importance of Sustainability	8	7
Positive Impact on Purchasing Behavior	3	6
Improved Brand Perception	4	8
Increased Trust and Loyalty	3	8

#### **Perceptions of Intentions Behind Sustainability Marketing:**

Western European participants largely agreed that sustainable practices are becoming more and more important for firms, and they believed that companies were truly trying to

positively impact the environment. There were some disagreements on the intentions claiming it might be purely reputational.

On the other hand, participants from Eastern Europe displayed a higher level of skepticism about sustainability marketing, stating that companies are simply trying to follow Western trends. Many participants expressed doubts about the sincerity of businesses' intentions, bringing up exploitation through price and in coherence with the Western European group arguing that sustainability marketing served more as image management than as true sustainable actions.

### **Personal Importance of Sustainability:**

Both Eastern and Western European participants affirmed the importance of sustainability as a concept, aligning it with their personal values. However, there appeared to be a slightly lesser degree of enthusiasm among some Eastern European participants, possibly influenced by cultural or economic factors unique to the region.

### **Impact on Purchasing Behaviour:**

Participants from Western Europe showed a proactive attitude towards sustainability; many of them actively looked for goods that exhibited sustainable methods. Participants' predisposition towards sustainability had a role in their purchase decisions, as they indicated a preference for firms that openly disclosed their sustainability initiatives.

On the other hand, individuals from Eastern Europe showed more indifference in sustainability marketing. They listed a number of important factors that influenced their purchases, including the price of sustainable items and the prominence of sustainable activities in retailers.

### **Trust and Loyalty:**

Both groups voiced doubts about the legitimacy of big business's sustainability marketing campaigns. In order to establish confidence, participants underlined the significance of openness and concrete evidence of sustainable behaviours. While Eastern European participants gave greater weight to characteristics like product quality, durability, and price when deciding which brands to support, Western European participants were more likely to show their devotion to companies that showed a commitment to sustainability.

In conclusion, while both Eastern and Western European consumers acknowledged the potential benefits of sustainability marketing in enhancing brand perception and reputation, there were notable differences in the extent to which it influenced their purchasing behavior and brand loyalty. Western European consumers exhibited a greater receptivity to sustainability

marketing, whereas Eastern European consumers displayed a more cautious and pragmatic approach, driven by considerations of affordability and product quality. These insights were then used to formulate the statements for the online survey to further confirm or deny the hypothesis mentioned in the methodology.

## **3.2 Analysis of the Online Survey results**

### **3.2.1 Overview of data and Descriptive statistics**

Based on the theoretical analysis and the focus groups, a series of Likert type statements were compiled into a questionnaire format. The questionnaire can be found in Annex 3 and the statements can also be referred to in the methodology section along with the codes used. Since there were 120 Eastern European respondents and 105 Western European respondents, the sample size satisfies the required credible amount. The following section will display the descriptive statistics for the data collected.

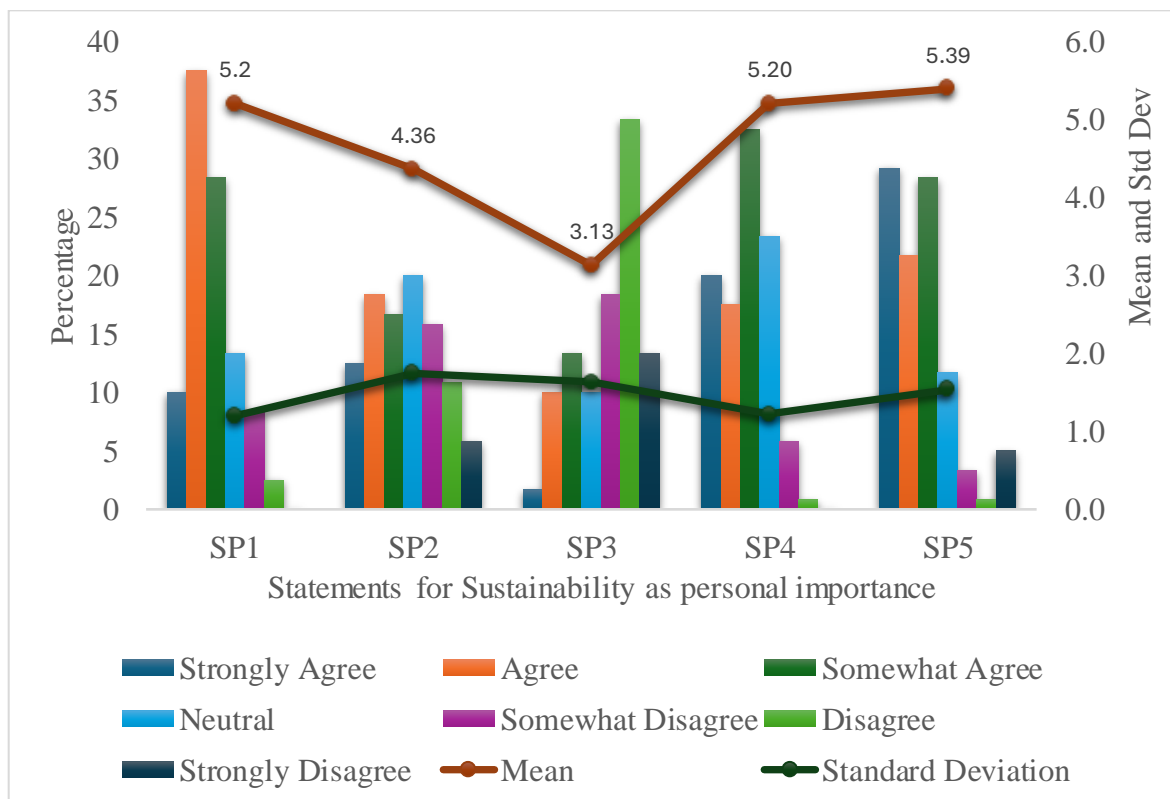
While calculating the frequencies, means and standard deviation for the responses received to each of the statements, the data was divided into two groups; Western and Eastern Europe since this is a comparative study and these groups will provide a better visual representation of the data.

In the following graph (*figure 8*) the frequencies, mean and standard deviation for the responses correlating to the statements that reflect sustainability as personal importance among the Western European respondents is plotted. To understand the code for the statements, refer to the methodology. The standard deviation is a little above 1 which could be considered moderate to high. This is the case with most of the data and implies that the responses are not heavily clustered around the mean. This could partly be because of the existence of subgroups such as the gender gap, age gap or employment statuses among the respondents. Understanding the implications of standard deviations is crucial to analyse data while keeping in mind the varying factors that could possibly affect the results. The mean shows the central tendencies of the responses and thus displays the average sentiment of Western Europeans toward each statement. In the context of sustainability as personal importance, the mean generally shows a high tendency implying that most of the Western European respondents see sustainability of great personal importance. There is a slight dip visible in SP3 is for the statement related to prioritizing sustainability over factors such as price and convenience. This result might have a correlation with the fact that majority of the respondents are students or possibly part-timers.

However, it could also be the general disposition. To analyse this, a wider study would have to be conducted.

**Figure 8**

*Descriptive statistics for statements measuring sustainability as personal importance in Western European respondents*

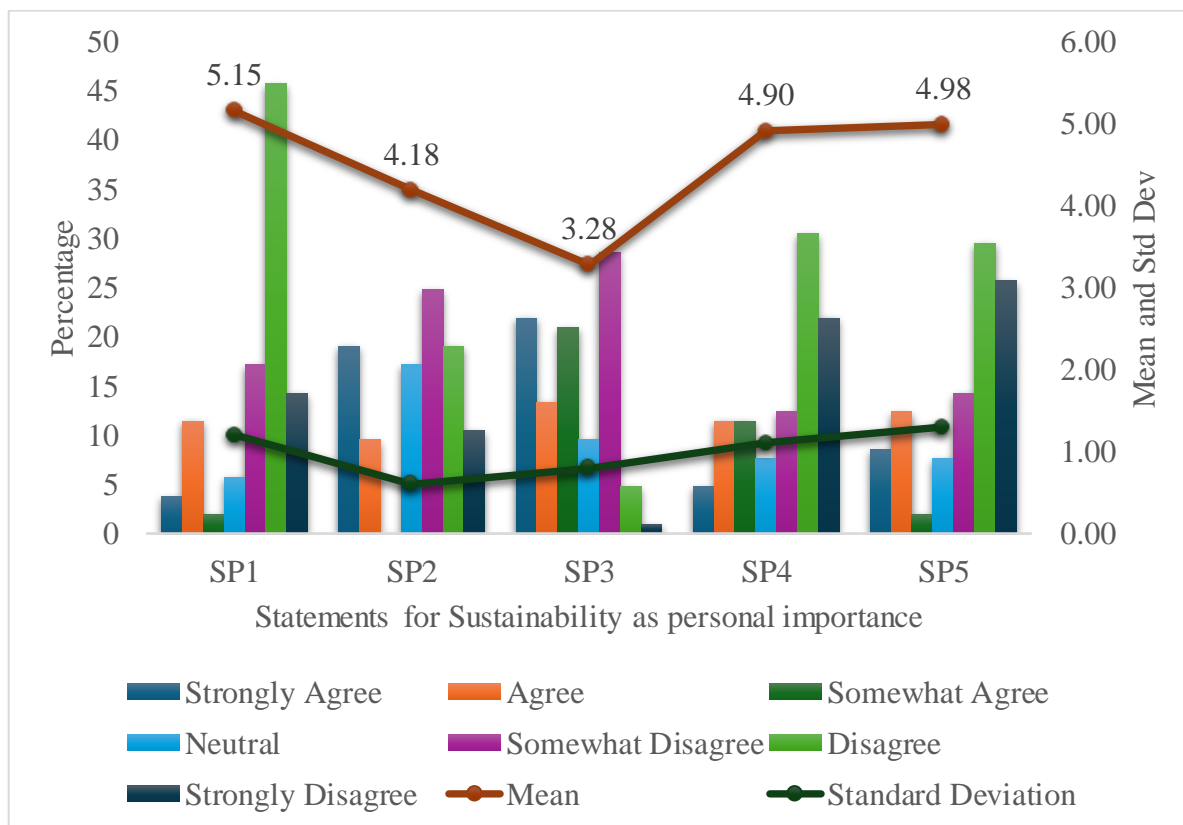


Similarly, in *figure 9* the frequencies, mean and standard deviation for the responses correlating to the statements that reflect sustainability as personal importance among the Eastern European respondents is plotted. It is strongly evident that the tendencies are quite similar between the Western and Eastern Europeans when it comes to prioritising sustainability in their personal lives. The following chapter including the statistical comparison of the data will identify if the difference between the responses is significant or not.

The consistency in the responses from Western and Eastern European respondents reflects the general appeal of sustainability across individuals in Europe. Although the theoretical review showed that Eastern and Western Europeans have different attitudes toward sustainability, it is visible that these trends might be changing.

**Figure 9**

*Descriptive statistics for statements measuring sustainability as personal importance in Eastern European respondents*



Furthermore, figure 10, which displays the graphical representation of respondents' perceptions of brand and customer trust among Western Europeans, provides an insight into the intricate interactions between respondents' attitudes towards sustainable marketing. The varying mean values across the assertions in this graphic representation represent the wide range of opinions that respondents have shared about how sustainability marketing has affected their opinion of brands.

Every statement in the graph represents a different viewpoint; some respondents have favourable views on how sustainability marketing affects brand perception, while others have negative opinions. For example, TB5 shows the proportion of respondents who agree that sustainability marketing improves their view of their brand, suggesting a segment of the sample that links sustainability initiatives with desirable brand characteristics.

Conversely, TB6 presents the count of respondents who perceive sustainability marketing as having a detrimental effect on their brand perception, highlighting contrasting viewpoints within the respondent pool.

**Figure 10**

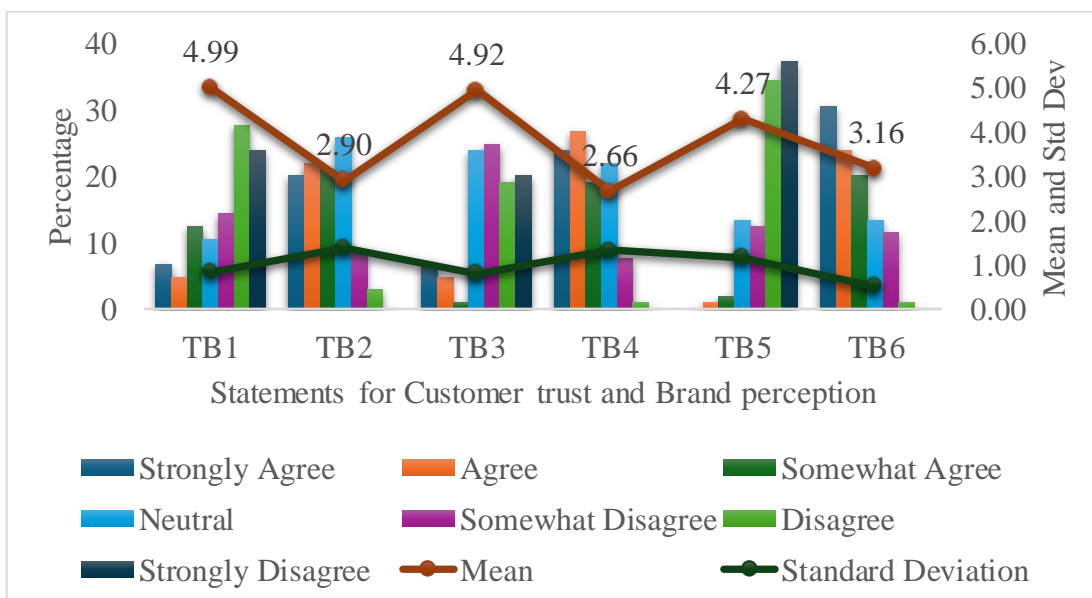
*Descriptive statistics for statements measuring Customer Trust and Brand Perception in Western European respondents*



Comparably, *figure 11* measures Customer Trust and Brand Perception in Eastern Europeans and displays seemingly similar tendencies but varying means. Additionally, the standard deviation is much lower for the results related to brand perception which strengthens the reliability of the data.

**Figure 11**

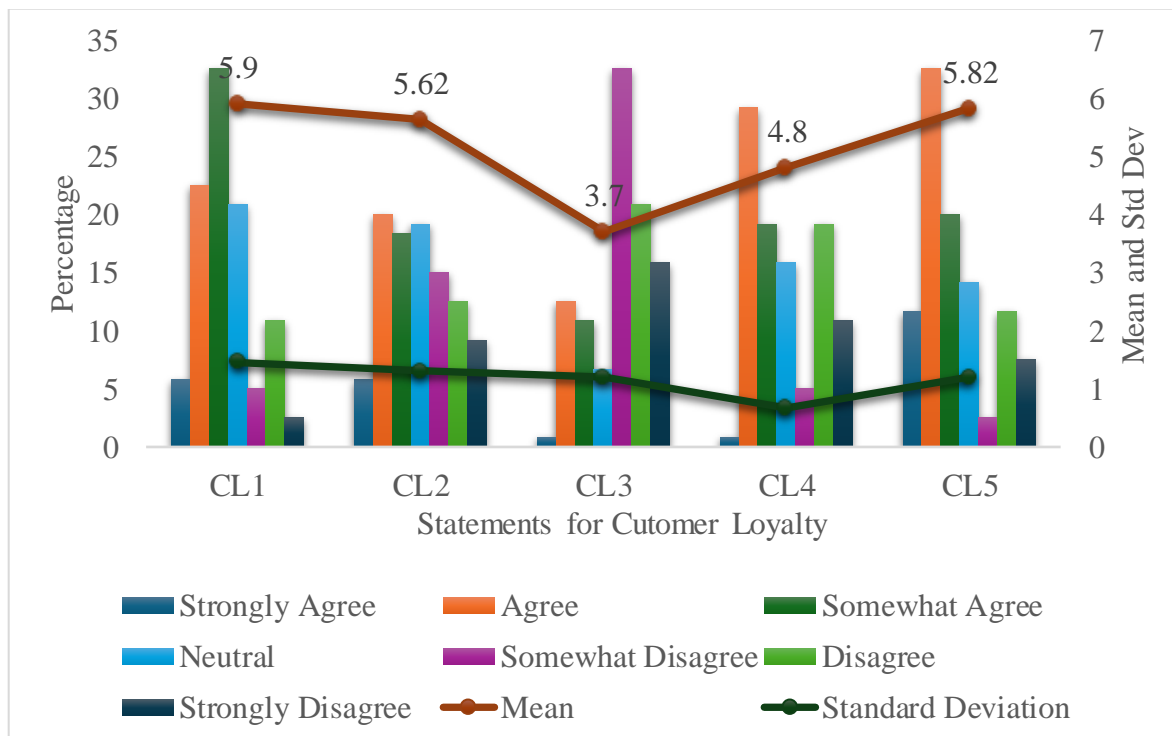
*Descriptive statistics for statements measuring Customer Trust and Brand Perception in Eastern European respondents*



Finally, *figure 12* depicts customer loyalty among Western Europeans. The means for all the statements are on the positive side which implies in general, Western Europeans are likely to be more loyal toward brands that are more sustainable. These results are in parallel with the findings from the focus groups.

### Figure 12

*Descriptive statistics for statements measuring Customer Loyalty in Western European respondents*

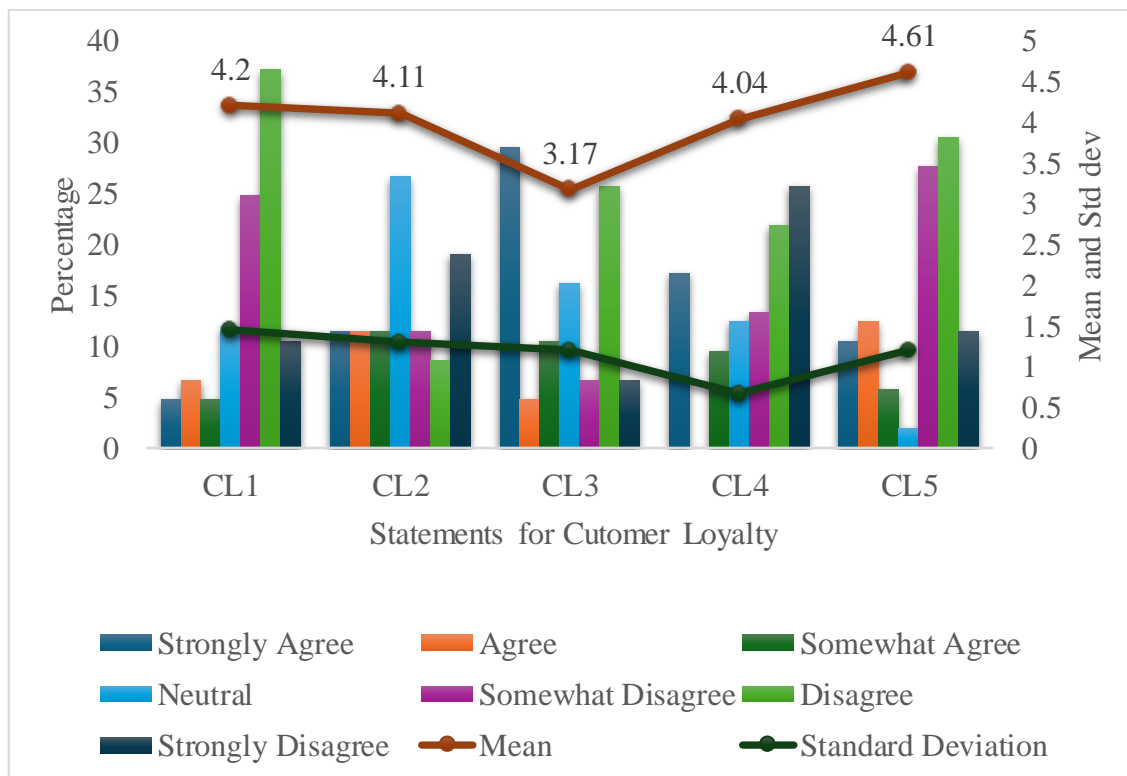


On the other hand, the results for customer loyalty among Eastern Europeans displays different tendencies. The mean for all the statements lingers very close to 4 which is a neutral response (*figure 13*). This shows that sustainability marketing may not necessarily have a negative impact on customer loyalty among Eastern Europeans, but it also doesn't have a significantly positive impact on it either.

Figure 13 provides important insights into the efficacy of sustainable marketing tactics in Eastern Europe by illustrating the nuances of consumer loyalty dynamics in this setting. The respondents' neutral attitude emphasises the need for more research and development of sustainability programmes catered to the unique needs and particularities of Eastern European markets.

**Figure 13**

*Descriptive statistics for statements measuring Customer Loyalty in Eastern European respondents*



In summary, the overview of the data provided a clear idea of the distribution of respondents based on age, gender, and employment status. This allowed to understand the possible factors behind the deviation in data and reasons for certain tendencies. The division of the data into 2 groups allowed for better visualisation of the results of the online survey. Finally, the frequencies in the responses to the different Likert type statements revealed valuable tendencies that will further be evaluated in the next section.

### 3.2.2 Comparative analysis of the Quantitative data

Independent T-test analysis was conducted to compare the means of all the individual variables to understand if there is a significant difference between the two groups: Eastern European and Western European. The Independent T-test is used when the means of 2 groups that are unrelated need to be measured. The test aids in finding if there is a significant difference between the means of the 2 groups to then draw conclusions. As mentioned above, since the sample size is large enough, the normality of the distribution of data is not considered even though the data might be slightly skewed.

Analysing the respondents' evaluation of the statements, the means displayed a statistical difference for none of the statements (*see table 10*). It is evident for most of the

statements that the attitude was positive for both Eastern and Western European respondents. Western European responses were slightly higher than Eastern European responses. However, the difference is negligible. This indicates that both groups view Sustainability as high importance in their personal lives. However, for the statement ‘I prioritise sustainability over factors such as price and convenience show a general lower trend which implies that both groups do not in fact prioritise sustainability over factors such as price and convenience.

**Table 10**

*Difference between 2 groups: Personal Importance of sustainability*

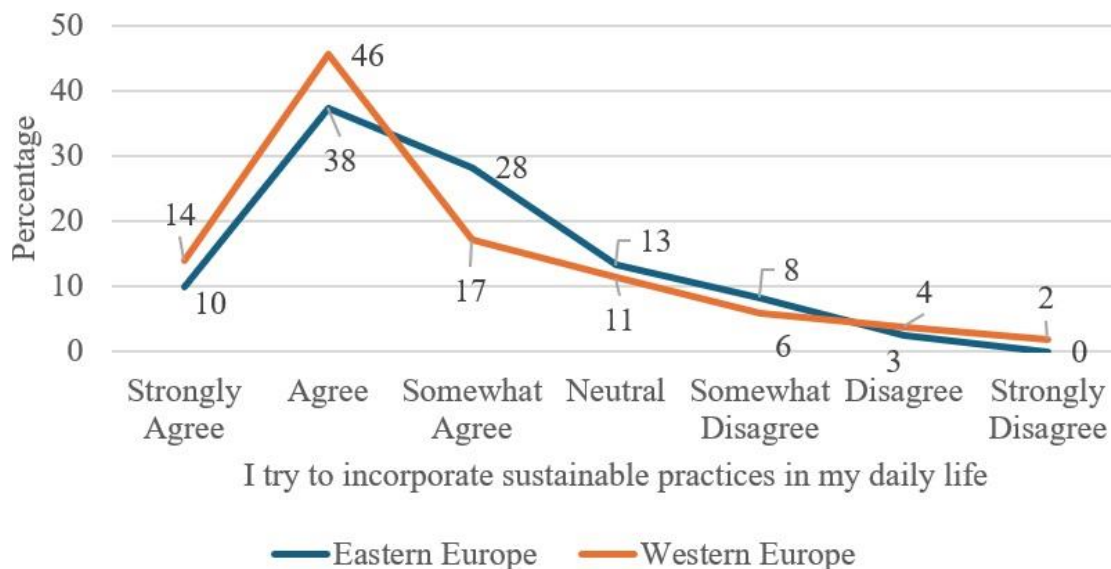
Parameter		SPI1	SPI2	SPI3	SPI4	SPI5
Western European	Mean	5.20	4.36	3.13	5.20	5.39
Eastern European	Mean	5.15	4.18	3.28	4.90	4.98
Mean Difference		.05	.18	-.14	.30	.41
Sig.(2-tailed)		.809	.484	.518	.171	.089

According to the data collected on the first statement ‘I try to incorporate sustainable practices in my daily life’ Eastern and Western Europeans seem to share a similar sentiment. The percentage of Western Europeans that agree with this statement are slightly higher than that of Eastern Europe, however a 5 percent deviation is negligible. The theoretical analysis implied that Eastern Europeans are not embracing sustainable practices as whole heartedly, however, the *figure 14* displayed for visual representation shows quite similar trends in Western and Eastern Europeans attitudes. The graph shows the steep increase in the agreement over the importance of incorporating sustainable practices in personal life.

This particular statement is crucial to reflect the attitudes that Europeans have toward sustainability as it implies that the base motivation to purchase sustainable products is existent. However, further results will reflect the need for maybe nuanced marketing strategies to reach different market segmentations better.

**Figure 14**

*Sustainable practices in personal lives by Eastern and Western Europeans*



When it comes to Trust and Brand perception, the statements representing brand perception (TBP5 and TBP6) obtained statistically significant differences in means (*see table 11*). The calculations show that sustainability marketing positively impacts the brand perception in Western Europeans at a higher rate than it does for Eastern Europeans. Similarly for the statement indicating a negative impact on brand perception, sustainability marketing activities conducted by a company reflect the same sentiment; that it does not negatively impact Western Europeans' brand perception as much as it does for Eastern Europeans.

Although there is no significant difference in the means for the respondents with regard to statement that evaluate trust, the means indicate that both groups do not trust sustainability claims made by companies as the average is below 4. Finally, the statement that evaluates if respondents can identify sustainability marketing implemented by companies (TBP1) shows that a majority of Western and Eastern Europeans believe that sustainability marketing is easily detectable. The results do show a .05 difference between the groups which is negligible.

**Table 11**

*Difference between 2 groups: Trust and Brand Perception*

Parameter		TBP1	TBP2	TBP3	TBP4	TBP5	TBP6
Western European	Mean	5.04	2.98	4.72	2.96	5.89	2.54
Eastern European	Mean	4.99	2.90	4.92	2.66	4.27	3.16
Mean Difference		.05	.08	-.21	.30	1.62	-.62
Sig.(2-tailed)		.811	.636	.275	.142	.000	.003

When analysing the respondents' evaluation for the statements linked to customer loyalty, it is revealed that there is a statistically significant difference between the 2 groups for all the statements as the p value is less than 0.05 for all the statements (*see table 12*). The results indicate that Western Europeans are more likely to make repeated purchases from a company that markets itself as sustainable than Eastern Europeans (CL1). It also reflects that Western Europeans are more likely to switch brands if another company claims to be sustainable in comparison to Eastern Europeans. Western Europeans are also more inclined to feel a sense of moral obligation toward brands that claim to be sustainable and have an overall increased sense of customer loyalty toward these brands (CL4 and CL5).

Additionally, when it comes to the willingness to pay premium prices for sustainable products, while Western Europeans are slightly more open to it, the general trend shows that both groups are hesitant to pay premium for sustainable products as the average is below 4.

**Table 12**

*Difference between 2 groups: Customer Loyalty*

Parameter		CL1	CL2	CL3	CL4	CL5
Western European	Mean	5.90	5.62	3.70	4.80	5.82
Eastern European	Mean	4.21	4.11	3.17	4.04	4.61
	Mean Difference	1.69	1.51	.53	.76	1.21
Sig,(2-tailed)		.000	.000	.036	.002	.000

To summarize, the independent sample T-test revealed key insights into the differences or lack thereof in the attitudes of Eastern and Western European respondents toward sustainability marketing. Some of the results corresponded with the insights gained from the focus group while some showed varying inclinations. However, this is to be expected since the landscape surrounding sustainability marketing is constantly evolving with visible changes in consumer trends.

### **3.3. Scientific discussions and Research Statement Testing results**

The obtained results have provided a better insight into the nuances of sustainability marketing and its impact across Eastern and Western European consumers. The focus groups provided valuable information in addition to the theoretical analysis to form a wholistic understanding of the field. The focus groups presented that consumers from both Eastern and

Western Europe acknowledge the potential advantages of sustainability marketing in enhancing a brand's image and reputation. However, the impact of this marketing on their actual purchasing decisions and brand loyalty varies significantly between the two regions. Western European consumers generally show a higher level of receptivity to sustainability marketing efforts. They are more likely to let these initiatives influence their buying choices and foster a sense of loyalty towards the brand.

On the other hand, Eastern European consumers take a more cautious and practical approach. While they recognize the importance of sustainability, their purchasing decisions are more strongly influenced by factors such as affordability and the perceived quality of the products. This, however, was proven to be the case for both Eastern and Western European respondents based on the quantitative data as both groups displayed the tendency to not prioritize sustainability over price and convenience. One possible reason for this outcome can be that majority of the respondents are students for whom budget is generally a factor. They tend to weigh these considerations more heavily than the sustainability aspect. Based on the theoretical analysis, Sari stated that a solid brand image can inspire client loyalty (Sari, 2005). Furthermore, customers will, typically transfer to another brand anytime their needs change and the business is unable to meet those changing wants, according to Muir (Miller & Muir, 2004). Further, another study shows that factors that influence brand perception in one region often differ in another based on the political climate (Anderson & He, 2006). These statements were proven to be accurate based on the quantitative data analysis as the statements evaluating brand perception and the willingness to switch brands based on sustainability claims provided positive results. It displayed that Western Europeans are more likely to have an improved brand perception in comparison to Eastern Europeans.

Roschitsch points out in a study conducted that a mere 20 percent of consumers believe brands when they claim to be sustainable today since they are well-informed and sceptical (Roschitsch, 2020). However, Kappa (2023) pointed out that companies are beginning to gain customer trust by increasing levels of transparency in operations. The results of the Quantitative data reflect otherwise. It is evident that Eastern as well as Western European respondents do not trust the sustainability claims made by companies. While the in-depth discussion during the focus groups revealed that Western Europeans are more likely to trust companies' sustainable claims if transparency was involved, the survey results did not reflect that.

Lloyd's World Risk Poll (2021), indicated that respondents in Eastern Europe are generally less concerned about climate change than those in Western Europe, despite the fact that there is a large variance in climate risk assessment within each area. Moreover, Rydzewski (2015) found that citizens of Eastern and Western European nations have different perspectives on sustainable development. Western Europe views environmental challenges as more

significant than Eastern Europe. Therefore, compared to Western Europe, the social pillar is weaker, and the environmental pillar is undervalued in Eastern European countries. Interestingly, the data collected exhibits results that do not correspond with the statements. It is found that Eastern and Western Europeans view sustainability as highly important on a personal level and the difference in their attitudes is statistically not significant. This, however, is consistent with Euromonitor's recent Consumer Trends report (2023) which indicates that Eastern Europeans are increasingly more receptive toward sustainability since the changing economic environment. As consumer awareness and receptiveness toward sustainability continue to evolve, it is essential for businesses and policymakers to remain attentive to these changing dynamics and tailor strategies accordingly to foster widespread adoption of sustainable practices.

The research statements proposed were:

- RS1: Western European consumers have a higher sense of personal importance associated with sustainability in comparison to Eastern European consumers. This statement cannot be supported by the research conducted as it was revealed that there is no significant difference in Western and Eastern European respondents' attitudes toward the importance of sustainability on a personal level. Both groups exhibited high importance of sustainability on an individual level.
- RS2: Western European consumers are more likely to have improved brand perception, hence increased customer loyalty in comparison to Eastern Europeans when exposed to sustainability marketing. This statement is supported by the research as the calculations indicated an improved brand perception that is higher for Western Europeans in comparison to Eastern Europeans. The overall indicators for Customer loyalty were also significantly higher for Western Europeans.
- RS3: Western European consumers are more likely to have increased customer trust, hence increased customer loyalty in comparison to Eastern Europeans when exposed to sustainability marketing. This statement cannot be supported by the research as both groups displayed a lack of trust when it comes to sustainability claims made by companies.

Provided below, in *table 13* is a tabular representation of whether the empirical research conducted supports or rejects the research assumptions made based on the theoretical analysis. This table provides a clear and concise result from the triangulation of all the data. The result section highlights statement from previous studies based on which the research assumption was made. And the following part will provide the findings from the calculations and its implications.

**Table 13***Supporting or Rejecting Research assumptions*

Research Assumption	Action	Result
RA1: Western European consumers have a higher sense of personal importance associated with sustainability in comparison to Eastern European consumers.	Rejected	According to theoretical analysis, previous studies show that Western Europe views environmental challenges as more significant than Eastern Europe (Rydzewski, 2015). The mean values displayed a general higher tendency for both Eastern and Western Europeans to have a high level of personal importance for sustainability.
RS2: Western European consumers are more likely to have improved brand perception, hence increased customer loyalty in comparison to Eastern Europeans when exposed to sustainability marketing.	Supported	According to previous studies it is stated that a solid brand image can inspire client loyalty (Sari, 2005) and According to Franco & Cicatiello (2019), branding with sustainability may improve customers' attitudes about the company. Additionally, factors that influence brand perception in one region often differ in another based on the political climate (Anderson & He, 2006) The results from this research support this statement with a significant difference in brand perceptions by Western and Eastern Europeans
RS3: Western European consumers are more likely to have increased customer trust, hence increased customer loyalty in comparison to Eastern Europeans when exposed to sustainability marketing.	Rejected	Western Europe has proven to be more receptive to the importance of climate change, environmental factors and trust the need for companies to have sustainable activities (Stockholm School of Economics, 2021). However, the results showed that Western and Easter Europeans heavily lack trust in companies' sustainability claims

In conclusion, the obtained results provide a nuanced understanding of sustainability marketing and its varied impacts on Eastern and Western European consumers. The combination of focus group insights and quantitative data offers a comprehensive perspective. The research also reveals the constantly changing trends with regards to sustainability marketing and its impact on consumers across various regions. While there is literature on the subject of sustainability marketing, the field still requires tremendous amount of research as the landscape is constantly evolving along with the political, social and economic environments in different regions.

## CONCLUSIONS

*The theoretical analysis conducted on the conceptualization of sustainability marketing and its correlation to customer loyalty allowed for the following conclusions.* Theoretical conceptualizations of sustainability marketing include a number of definitions of the term as well as the three pillars that make up sustainability marketing which are economic, social and environmental. Based on the ongoing evolution of sustainable practices across many industries, it is clear from the literature analysis that sustainability marketing is a concept that has been debated since the 1960s. The majority of authors come to the consensus that, even though the definition is constantly evolving, sustainability marketing includes actions that minimize unfavorable environmental effects in as many marketing processes as possible, including price, promotion, place, and process, among other components of the marketing mix. The literature analysis found 2 main factors that affect customer loyalty. It is found in multiple research papers that an improved brand perception and high customer trust directly leads to increased customer loyalty. Upon further analysis, it is evident that companies that implement sustainable marketing activities and communicate these activities to their customers build a better brand image through the customer's perception. Additionally, companies that have sustainability as core to their identity also benefit from higher customer trust. Hence, the correlation between customer loyalty and sustainability marketing communication is apparent.

*Further, in the theoretical analysis the cultural factors and regional differences between Eastern and Western Europe were identified.* The understanding of national identity, religion, social issues, etc widely vary across Eastern and Western Europe heavily influenced by cultural and political backgrounds. Central Europe is an ambiguous mix of Eastern and Western attitudes. Hungarians have traditional Eastern views on national identity, but religious beliefs lean on the West. These differences suggest that marketing strategies need to adapt to regional attitudes, especially for sustainability, a topic that's politically charged. The European Union prioritizes sustainability, but what "European values" mean varies: Western countries lean towards liberal principles, while Eastern countries often hold traditional views. The EU's "Charter of Fundamental Rights" promotes anti-discrimination and refugee rights, but these values aren't embraced equally everywhere. Environmental issues are especially challenging in Eastern Europe, where there is resistance to certain environmental programs, cultural nationalism, and rising authoritarianism. To succeed, marketing efforts in Europe must consider these regional differences, recognizing that sustainability and liberal values promoted by the EU may be met with varying acceptance across the continent.

*Besides the aforementioned, this thesis developed a research methodology in order to conduct a cross-regional comparison of the impact of sustainability marketing on customer loyalty.* The research methodology used for this research is a combination of qualitative as well as quantitative data. The triangulation method is used to obtain a comprehensive understanding of the subject. The theoretical analysis aided in developing a semi structured focus group questionnaire which was implemented across two groups with respondents from Eastern and Western Europe respectively. The insights from the focus group combined with the results from the theoretical analysis allowed for the formulation of 3 research assumptions which is then tested by collecting quantitative data through an online survey. The survey was organised with Likert style statements relating to 3 different sentiments: Sustainability as a personal importance, Customer trust and Brand perception and Customer Loyalty. The data was then analysed using parametric test Independent Sample T-test to calculate the mean of the results and identify if there are significant differences between the two groups.

*Finally, the last section of this scientific work includes the results and their scientific discussion.* An Independent T-test analysis revealed that while both groups view sustainability as important in their personal lives, neither prioritizes it over price and convenience. Western Europeans generally had a more positive brand perception influenced by sustainability marketing compared to Eastern Europeans, but both groups exhibited low trust in companies' sustainability claims. Customer loyalty was significantly higher among Western Europeans, who were more likely to repeatedly purchase from and feel morally obligated to brands marketed as sustainable. Both groups, however, showed reluctance to pay premium prices for sustainable products, although Western Europeans were slightly more willing.

*The scientific novelty of this paper lies in the analysis of the impact of sustainability marketing across Eastern and Western Europe.* There is a plethora of previous studies on the impact of marketing across distant regions such as East Asia and North America. However, there is a general gap in the analysis of how marketing, especially sustainable marketing impacts different regions in Europe especially considering the vast cultural, socio-economic and political differences reflected in the theoretical analysis. Thus, this study aims to bridge that gap.

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## **ANNEXES**

## Glossary of Terms

1. Brand Image- The collection of associations with a brand that have been made and established in customers' brains makes up a brand's image (Hsieh and Lindridge, 2005).
2. Carbon Footprint- The term "carbon footprint," also known as "greenhouse gas footprint," refers to a calculated value or index that enables comparison of the total quantity of greenhouse gases released into the atmosphere by a certain activity, product, nation, or business (Conservation International, 2023).
3. Climate Change- Climate change refers to long-term shifts in temperatures and weather patterns (United Nations, 2024).
4. Consumer Trends- Consumer trends reflect the needs, wants, and beliefs that shape people's purchasing choices. These trends highlight the values and attitudes that shape how people live, define themselves, and build their lifestyles (Yeung, 2013).
5. Conventional Marketing- The science and art of discovering, developing, and providing value to meet the demands of a target market while making a profit. (Kotler, 1967)
6. Corporate social responsibility (CSR)- Corporate social responsibility (CSR) is when businesses take accountability for their actions and their impact on society, including fair labor practices, workplace well-being, non-discrimination, environmental protection, human rights, and preventing corruption (EUR-Lex - Corporate\_social\_responsibility - EN - EUR-Lex, n.d.).
7. Customer Loyalty- Customer loyalty is when a customer conducts transactions or interacts with a brand on a repetitive basis (Robins, 2020)
8. Customer Trust- Trust in a marketing context is typically tied to customer expectations regarding a company's ability to fulfil its commitments and uphold its promises. (McKnight, Cummings & Chervany, 1998)
9. European Values- European values in a broader sense first refers to values that Europeans share (the lowest common denominator) or to values that a majority of Europeans value more than others (Weymans, 2023).
10. Focus group- A focus group is a small group interview with participants who have other characteristics or experiences in addition to having a comparable demographic (Calder, 1997)
11. National Identity - National identity refers to a specific kind of collective feeling, i.e., a self-image or an understanding associated with the country (Marschelke, 2021).

12. Secularism- Secularism is the belief in keeping religion separate from government and legal matters, ensuring that religious institutions and the state operate independently from each other (Quack, 2017).
13. Social Capital- Social capital refers to the importance of social connections, where similar people bond and different people connect, all supported by mutual trust and cooperation (Dekker and Uslaner, 2001).
14. Social marketing- Social marketing techniques are community welfare activities that assist a corporation in achieving additional objectives aside from business chores aimed at maximizing sales. (Bhattacharya & Sen, 2003)
15. Sustainability Marketing Activities- Sustainability marketing encompasses actions that reduce adverse environmental impacts in as many marketing processes as possible, including price, promotion, place, and process, among other elements of the marketing mix (Dyllick, Thomas & Hockerts, 2002).
16. Sustainability Marketing- sustainable marketing is the strategic creation, communication, delivery, and exchange of offerings that create value through consumer consumption behaviors, business practices, and the marketplace while minimizing environmental harm. (Lunde, 2018)
17. Sustainable Consumption- “The use of services and related products, which respond to basic needs and bring a better quality of life while minimizing the use of natural resources and toxic materials as well as the emissions of waste and pollutants over the life cycle of the service or product so as not to jeopardize the needs of further generations” (Ofstad et al., 1994).
18. Sustainable Development Goals- The Sustainable Development Goals (SDGs), also known as the Global Goals, are a collection of 17 goals adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity (United Nations Development Programme, 2015).
19. Sustainable Price- It clarifies the company's financial and environmental expenses associated with manufacturing and marketing. Pricing that is sustainable should take into account consumers, rivals, company objectives (including social and ecological ones), and expenses (Richardson, James & Kelley, 2015).
20. Sustainable Products- Reduced packing materials and products made with a focus on lowering transportation costs are characteristics of sustainable products (Dotson, 2015)
21. Triangulation of Data- In qualitative research, triangulation describes the process of using multiple methodologies or data sources to create a thorough understanding of a phenomenon (Patton, 1999).

**ANNEX 2****Questions for Focus group to understand the impact of sustainability marketing on customer loyalty.**

1. What comes to mind when you hear sustainability marketing?
2. Is it important for companies to employ sustainable practices?
3. What do you consider sustainability marketing activities on behalf of companies?
4. While picking a product, do you intentionally look for signs of sustainable practices?
5. When a company markets its sustainable practices, does it improve your brand perception of it?
6. Do you feel like sustainability marketing increases your trust in a brand?
7. Are you more likely to repeatedly buy from a company that proves its sustainable practices?
8. Do you believe companies with sustainable practices earn your loyalty?

## Online Survey to understand the impact of sustainability marketing on Customer Loyalty across Europe

# Impact of Sustainability Marketing on Customer Loyalty

Hello! I am Jemima Rodrigues and I am a final year Masters student at Vytautas Magnus University and UCLouvain studying Management, International Commerce and Marketing. I would appreciate it if you could contribute a few minutes of your time and your insights to my research.

*If you do not currently reside in Europe, you can skip this survey.*

This research aims to uncover the impact of sustainability marketing on customer loyalty across different regions of Europe.

For reference; Sustainability marketing refers to the **type of marketing that focuses on the environmental and social impact of a company's products or services.**

This survey is completely anonymous and will take just a **few minutes** of your time. Every answer and insight is extremely valuable! So thank you for your participation!

How to answer

Each statement is followed by a simple scale from 1-7. 1 being strongly disagree and 7 being strongly agree. Pick the number on the scale that best reflects your position on the statement keeping in mind that 4 expresses a neutral stance.

I try to incorporate sustainable practices in my daily life.

- Strongly Disagree
- Disagree
- Somewhat Disagree
- Neutral
- Somewhat Agree
- Agree
- Strongly Agree

I consciously make sustainable decisions while purchasing products at a supermarket.

- Strongly Disagree
- Disagree
- Somewhat Disagree
- Neutral

- Somewhat Agree
- Agree
- Strongly Agree

I prioritize sustainability over other factors such as price and convenience.

- Strongly Disagree
- Disagree
- Somewhat Disagree
- Neutral
- Somewhat Agree
- Agree
- Strongly Agree

I feel good about myself when I purchase a sustainable product.

- Strongly Disagree
- Disagree
- Somewhat Disagree
- Neutral
- Somewhat Agree
- Agree
- Strongly Agree

I believe sustainable practices on an individual level are necessary and can make a difference.

- Strongly Disagree
- Disagree
- Somewhat Disagree
- Neutral
- Somewhat Agree
- Agree
- Strongly Agree

I notice and can identify sustainability marketing efforts made by a company

- Strongly Disagree
- Disagree
- Somewhat Disagree
- Neutral

**ANNEX 3 continuation**

- Somewhat Agree

- Agree
- Strongly Agree

I believe all the sustainability claims made by a company.

- Strongly Disagree
- Disagree
- Somewhat Disagree
- Neutral
- Somewhat Agree
- Agree
- Strongly Agree

I believe some of the sustainability claims made by a company

- Strongly Disagree
- Disagree
- Somewhat Disagree
- Neutral
- Somewhat Agree
- Agree
- Strongly Agree

I do not believe any of the sustainability claims made by a company

- Strongly Disagree
- Disagree
- Somewhat Disagree
- Neutral
- Somewhat Agree
- Agree
- Strongly Agree

Sustainability marketing positively impacts my perception of a company/Brand.

- Strongly Disagree
- Disagree
- Somewhat Disagree
- Neutral

**ANNEX 3 continuation**

- Somewhat Agree
- Agree

- Strongly Agree

Sustainability marketing negatively impacts my perception of a company/brand.

- Strongly Disagree
- Disagree
- Somewhat Disagree
- Neutral
- Somewhat Agree
- Agree
- Strongly Agree

I would switch brands if I perceive another brand to be more sustainable

- Strongly Disagree
- Disagree
- Somewhat Disagree
- Neutral
- Somewhat Agree
- Agree
- Strongly Agree

I am willing to pay premium for products/services that are marketed as sustainable

- Strongly Disagree
- Disagree
- Somewhat Disagree
- Neutral
- Somewhat Agree
- Agree
- Strongly Agree

I feel a sense of moral obligation to support companies that prioritize sustainability

- Strongly Disagree
- Disagree
- Somewhat Disagree
- Neutral

**ANNEX 3 continuation**

- Somewhat Agree
- Agree
- Strongly Agree

I feel a sense of loyalty towards brands that promote sustainability

- Strongly Disagree
- Disagree
- Somewhat Disagree
- Neutral
- Somewhat Agree
- Agree
- Strongly Agree

Gender

- Male
- Female
- Other:

Age

- 18-24
- 25-34
- 35-44
- 45-54
- 55+

Which region do you associate yourself with: Eastern or Western/Northern Europe

- Eastern Europe (Czech Republic, Poland, Hungary, Romania, Moldova, Croatia, Lithuania, Latvia, Estonia, Bulgaria, Slovakia, Belarus, Ukraine, Slovenia, Serbia, Montenegro, Bosnia and Herzegovina, Albania, Kosovo, Macedonia, and the European part of Turkey)
- Western/Northern Europe (Sweden, Norway, Denmark, Finland, Iceland, Belgium, France, Luxembourg, Netherlands, Germany, Austria, Italy, Switzerland, Denmark, Greece, Ireland, United Kingdom, Monaco, Portugal, Liechtenstein, Malta, Spain,)

Current status

- Employed (Full-time, Part-time)
- Student
- Unemployed