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GREEN BRAND EQUITY: HOW AND WHY THE ORGANIC PRODUCT MARKET IS INCREASING IN INTERNATIONAL BUSINESS

(EL VALOR DE MARCA ECOLÓGICO: CÓMO Y POR QUÉ ESTÁ CRECIENDO EL MERCADO DE PRODUCTOS ECOLÓGICOS EN LOS NEGOCIOS INTERNACIONALES)

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TERMS AND ABBREVIATIONS

ADEME – *Agence de l'environnement et de la maitrise de l'énergie*

AMA – American Marketing Association

ARPP – *Autorité de Régulation Professionnelle de la Publicité*

BE – Brand Equity

BEM – Brand Equity Model

BV – Brand Value

CAP – Common Agricultural Policy

CBBE – Customer-based Brand Equity

CBD – Commission on Biological Diversity

CO2 – Carbon Dioxide

COP – Conference of the Parties

CSR – Corporate Social Responsibility

EAP – Environmental Action Programme

EEA – European Environmental Agency

EECCA – Eastern European, Caucasus and Central Asian area

EIR – The Environmental Implementation Review

EU – European Union

FAO – Food and Agriculture Organisation

FIBL – *Forschungsinstitut für biologischen Landbau*

FNAB – *Fédération Nationale d'Agriculture Biologique des régions de France*

GBE – Green Brand Equity

GBI – Green Brand Image

GMOs – Genetically Modified Organisms

HBR – Harvard Business Review

ICOAS – International Conference on Organic Agriculture Sciences

IEAs – International Environmental Agreements

IFOAM – International Federation of Organic Agriculture Movements

NGOs – Non-governmental Organisations

NOP – National Organic Programme

OECD – Organisation for Economic Co-operation and Development

R&D – Research and Development

ROI – Return on Investment

SD – Sustainable Development

SDGs – Sustainable Development Goals

SDS – Sustainable Development Strategy

SEA – Strategic Environmental Assessment

TBL – Triple Bottom Line

TFUE – Treaty on the Functioning of the European Union

UK – United Kingdom

UN – United Nations

UNCCD – United Nations Convention to Combat Desertification

UNCTAD – United Nations Conference on Trade and Development

UNECE – United Nations Economic Commission for Europe

UNEP – United Nations Environment Programme

UNFCCC – United Nations Framework Convention on Climate Change

UNIDO – United Nations Industrial Development Organisation

US – United States

USDA – United States Department of Agriculture

WCED – World Commission on Environment and Development

WHO – World Health Organisation

ABSTRACT

This essay focuses on the study of the organic product market and its growing importance for both consumers and business in general.

In the following pages it will be presented, in first place, a brief introduction to the concept of sustainability and sustainable development. For doing so, the main treaties and regulations at an international and European level regarding sustainable development will be introduced. Secondly, the sustainable practices of the agri-food sector will be explained, as well as European regulations, projects, and programs that promote the development of this sector.

After having considered in detail the agri-food sector from a broader perspective, the value of ecological brands will be thoughtfully analysed because of its growing importance in business. Thus, the concept of brand and the main models of brand equity will be also explained, since the studies of green brands are based on them.

To conclude, a study on consumer perception of organic products is presented in the final part of the paper. In this section, the answers of participants from four European countries (Finland, Germany, France, and Spain) will be analysed in order to conclude that the value of ecological brand, despite following a growing trend, does not follow the same path across Europe.

Keywords: Sustainability, sustainable development, organic farming, brands, green brand equity.

RESUMEN

Este trabajo se centra en el estudio del mercado de productos ecológicos y su creciente importancia tanto para el consumidor como para los negocios en general.

En las siguientes páginas se encontrará, en primer lugar, una breve introducción al término de sostenibilidad y desarrollo sostenible y se mencionarán los principales tratados y regulaciones a nivel internacional y europeo referentes al desarrollo sostenible. En segundo lugar, se profundizará sobre la producción ecológica del sector agroalimentario, así como toda la regulación europea, proyectos y programas que impulsan el desarrollo de este sector.

Después de haber contemplado con detalle el sector agroalimentario desde una perspectiva más amplia, se profundizará analizando el valor de las marcas ecológicas dada su creciente importancia en los negocios internacionales. Así, se explicará previamente el concepto de marca y los principales modelos de creación de marcas, ya que sobre ellos se basan los estudios de las marcas ecológicas.

Para concluir, en la parte final del trabajo se presenta un estudio sobre la percepción de los consumidores de productos ecológicos. En el mismo, se analizarán las respuestas de los participantes de cuatro países europeos (Finlandia, Alemania, Francia y España) para poder concluir como el valor de marca ecológica, pese a seguir una tendencia creciente, no lo hace de la misma manera en todas las zonas de Europa.

Palabras clave: Sostenibilidad, desarrollo sostenible, agricultura ecológica, marcas, valor de marca ecológica

INTRODUCTION

The growth in environmental responsibility consciousness has been a hot topic in recent years. The Green New Deal in the United States or the "Strikes for the Climate" led by young environmentalists across Europe are only some examples of the increasingly importance of the current environmental situation. Some people address this problematic as climate change; others, as climate emergency. Either way, political leaders and international organisations are now more pressured than ever before towards the implementation of sustainable practices on a global scope.

Despite the fact that sustainable development is not a recent subject, it has recently grabbed significant attention of governments. Countries have taken serious steps to tackle this problem. Nonetheless, efforts remain insufficient. Inaction towards sustainable practices has led humankind to an impasse because Scientifics and environmentalists have shown the consequences of polluting behaviours for decades, yet they are still the sole procedure for the vast majority of industries and businesses all around the world.

Ensuring a more sustainable future encounters indeed many challenges and one of the most important ones is cooperation. In such globalised world, every environmental problem may affect different areas threatening human livelihoods on a global scale. That is the reason why international environment legislation is more and more important nowadays. Sustainability has been the subject of multitudinous conferences and reports and the European agreements strive to meet the sustainable development goals within their own legal framework. Nonetheless, implementation is still challenging and a more serious and regular co-operation among political leaders is needed.

Along with international regulation, as environmental, ethical and social responsibility perceptions of more people increase consistently, more and more consumers demand environmentally friendly products. Introduction of "greener" products is therefore becoming important in international business. Nevertheless, scepticism towards green attributes and scarcity of knowledge on the topic are only a few challenges companies need to face in order to improve their green brand image.

GOALS

The main objective of this project is to analyse the organic product market and its increasingly importance in international business. The development of the work is divided into two main sections, covering the two most important aspects for this document: ecologism and brands.

To proper develop the situation of ecological products, it is of the utmost importance describing first the current situation of sustainable development on a global scale, as sustainable practices are the core criteria followed by green products. As a result, the main regulations and outputs of the most important summits in sustainability will be thoughtfully explained. This leads to the explanation of the sustainable practices in the agri-food industry, which are the determinants for green products to be considered ecological.

It is also convenient to explain the importance of green brand equity as a means of increasing the organic product market. For doing so, a previous analysis of the most important brand equity models has been conducted, as well as the explanation of some tricky concepts regarding brands and ecological brands. Examples of previously-made studies have been included in order to fully understand the growing concern in international business towards achieving a green brand equity.

In addition to the theoretical analysis, a study with regards to ecological products image has been conducted. This data offered through graphics and figures, explains the different perceptions regarding organic products. The goal of this practical part is to show that organic product market is an increasing sector, yet it is not equally distributed across Europe.

METHODOLOGY

In order to develop the analysis of the organic product market, deductive reasoning was employed in the whole document. In other words, the process of this research goes from the more general to the more specific.

Firstly, the origin of the term "sustainable development" is presented. Then, its implications and development are explained in a form of international conferences outputs and European case law. The work of the United Nations and the European Commission are the main secondary data used in this first approach.

The research proceeds with an explanation of the organic farming sector and the regulations closely linked with the sustainability framework. In this case, the 2019 FiBL and IFOAM-Organics International report has been the roadmap for this chapter.

The marketing-oriented part of the document also follows a deductive approach as the general concept of brand, its origins, and development are presented prior to the definition of brand equity. Then it has been narrowed down even further when explaining the green brand equity and several concepts related to the topic.

Lastly, a survey was conducted and analysed, using thus primary data for developing the practical part. The first-hand information related to the organic product consumption has ultimately led us to the conclusions. Apart from this, some of the information is shown by figures and tables, as a means of making the document easier to read.

1. SUSTAINABILITY IN A NUTSHELL

Deforestation, plastic waste in the seas, scarcity of natural resources, extreme weather conditions, loss of biodiversity. The increasingly frequent use of these concepts shows the growing concern of sustainability at the present time. Now, economies place sustainability at the centre of numerous debates pointing up the challenges still to be faced. Nonetheless, this is not a recent concept. Scientists and environmentalists have been studying the Earth situation for decades trying to ensure a sustainable development for us all. Yet, economies are scrutinized for their degree of sustainability now more than ever before and new environmental policies are demanded.

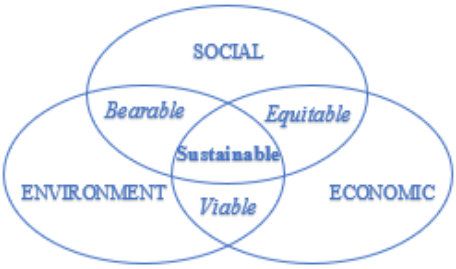
But why is this happening now? What do we understand by sustainability? Is it really a problem for our societies or just a fad with an expiry date? Answers to these questions will be given in the chapters that follow, trying to explain in an objective manner the increase of environmental concerns on a global scale.

1.1. CONCEPT OF SUSTAINABILITY

Back in 1987, the World Commission on Environment and Development (WCED) widely known as the Brundtland Commission defined in its last report the often-quoted concept of sustainable development (SD). Both the definition and the document itself named Our Common Future or Brundtland Report have strongly influenced later publications. Indeed, it served as a guidance route for the World's first Earth Summit in Rio, Brazil in 1992, and the third United Nations Conference on Environment and Development in Johannesburg, South Africa in 2002, addressing the issues needed to be faced regarding sustainability (Theis & Tomkin, 2015).

The Brundtland Report defines thus SD as the "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (United Nations, 1987). This report specifies that even if achieving a sustainable development can take various pathways, it must be a consensus of the different nations on the strategic framework set. Thus, three dimensions are considered: environmental, social and economic. And the three are essential towards the goal of sustainability.

Figure 1.1. - The three dimensions of Sustainability



Source: Theis & Tomkin (2015)

As shown in Figure 1.1, SD integrates three different parts equally important to meet the needs of the present and the future alike (Theis & Tomkin, 2015)**.** Taking the public transportation of a city as an example, an economic and environmental approach (and thus viable system) would be the measurement of fossil fuel consumption. Furthermore, the proportion of public transport in the city would be a bearable matter getting together the social and environmental fields. A fair public transport policy, on the other hand, would result in an equitable system considering therefore the social and economic ellipses of the figure (IAE Lille, 2013).

The concept of sustainability can and must be addressed at different levels such as societies, countries, cities, corporations, and even at a personal level (Theis & Tomkin, 2015). Information about the degree of sustainability will determine new regulations and policies in order to really shift the needle towards a better future. This way, the simplicity of the figure opened the door for the implementation of sustainability in businesses and elsewhere.

Hence, in the field of business, the commonly seen Triple Bottom Line (TBL or 3BL) was set out as a way of examining the social, economic and environmental impacts on companies. The TBL dimensions, developed by John Elkington, are often called the 3P's: People, Planet and Profits, illustrating the three main areas of a sustainable business model.

Despite its popularity, the Triple Bottom Line has proved difficult to apply. Measuring the impact of the three branches as a whole is indeed a challenge. Plus, the fact that the economic and social fields need to be within the bounds of the ecological possible is not

always fulfilled by large companies which place the economic branch at the very top of their priorities, forgetting sometimes the other two. Indeed, as it is explained in a recent article in the Harvard Business Review (HBR) the misconception of his term and the new concepts for implementing sustainable practices in businesses led to an impasse where no important actions are taken (Elkington, 2018).

Even though some companies, the so-called B-Corporations[1], regard sustainability as a stepping stone for their day-to-day situations, most of them are still far from being sustainable enough to ensure a safe future for us all (Elkington, 2018). Thus, the last decades different regulations on sustainability were implemented in order to tackle the problem from a more global perspective, trying to gather together industries and businesses all around the world to guarantee a long-term welfare.

1.2. TREATIES AND REGULATIONS ON SUSTAINABILITY

As noted above, even if the concept of sustainability may seem simple, it is not that easy to apply. Ensuring a more sustainable future encounters indeed many challenges and one of the most important ones is cooperation. Cooperation among nations is a sine qua non nowadays. In such globalised world, every environmental problem may affect different areas threatening human livelihoods on a global scale.

International Environmental Agreements (IEAs) have "a primary stated purpose of preventing or managing human impacts on natural resources" (Mitchell, 2016) thereby setting the standards for organizations and governments to be followed. International regulation on sustainability becomes thus a matter of vital importance.

Sustainability has been the subject of multitudinous conferences and reports since the Brundtland Commission developed the concept. For instance, the United Nations (UN) conferences and summits brought to light the importance of sustainable development (SD) to numerous countries throughout the world.

[1] Certified B Corporations are businesses committed to meeting the highest environment, and social standards, public transparency, and legal accountability to balance profit and purpose.

Regulations on sustainability hold sway on businesses all around the globe being the cornerstone for ecologism. Thus, the most important binding and non-binding agreements have been set in place will be analysed in the following pages.

1.2.1. United Nations: Rio 1992

The UN conferences have been the reference of the world environmental legislation since decades. Consequently, they need to be examined and understood in order to see how they influence businesses and countries in their every-day operations.

Regardless to the fact that the Rio Conference held in 1992 was not the first one (the previous ones were held in 1972 and 1987) it is considered the keystone of the subsequent UN Summits. Reason for this are the number of attendees and the topics covered, carrying out significant documents deemed as a roadmap for sustainable development (United Nations, 2019a). Popular known as the Earth Summit, Rio de Janeiro gathered 172 governments as well as 2,400 representatives of non-governmental organizations (NGO's) (United Nations, 1997). During the conference, three main agreements were put into effect: The Convention on Biological Diversity (CBD), the United Nations Convention to Combat Desertification (UNCCD) and the United Nations Framework Convention on Climate Change (UNFCCC).

These international agreements, known as the 3 Rio Conventions, shed some light on certain environmental matters that had not yet been taken into account in a specific and thorough way. By doing so, considerable progress to improve global sustainability was made.

The Convention on Biological Diversity (CBD) on the one hand, focuses on the urge of protecting the biological resources of our planet, that is: the animals, plants, and microorganisms thereof. In other words, this convention which opened for signature during the Rio Summit and entered into force one year later, has as its main goal the halt of biodiversity loss.

However, even if it has been set in place more than two decades ago, endangered species[2] are still rising nowadays, making this a problem yet to be solved (UN Environment, n.d.).

On the other hand, the United Nations Convention to Combat Desertification (UNCCD) is "the sole legally binding international agreement linking environment and development to sustainable land management" (UNCCD, n.d.). Thus, this convention concentrates on land degradation, in particular in the African continent.

Another convention that has significantly evolved and the third one of the Rio Conference is the United Nations Framework Convention on Climate Change (UNFCCC). This convention that tackles the problem of Climate Change has initiated two of the most important agreements thus far: The Kyoto Protocol and the Paris Agreement (United Nations, 2019a). For this reason, after 25 years since its ratification it is still a key component of the environmental regulation and one of the major outputs of the First Earth Summit.

Apart from the legally binding agreements mentioned above, significant recommendations were carried out. The most important one is the Agenda 21 which idea was "to monitor and report on implementation of the agreements at the local, national, regional and international levels" (Sustainable Development Solutions Network, 2015). The Agenda has been constantly adapted and it is nowadays known as 2030 Agenda.

Nonetheless, it is noteworthy that not only this document has been reviewed but rather all the main agreements here explained have been evolving according to the output of the conventions that followed the Earth Summit or Rio Conference. Therefore, they have been kept up-to-date leading to countless meetings and programmes to be developed from their earliest inception.

The most important conferences are named after the Earth Summit of Rio de Janeiro: Rio+10 (2002) and Rio+20 (2012) where the at-the-time legislation was reviewed and further key documents were released (United Nations, 2019a).

[2] A report conducted by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) on May 2019, found that around 1 million animal and plant species are now threatened with extinction, more than ever before in human history.

Moreover, the UN Sustainable Development Summit held in New York (2015), which is the last major conference, included the mentioned 2030 Agenda in the document named: Transforming our world: the 2030 Agenda for Sustainable Development. In this document, a plan of action is established and the Sustainable Development Goals are presented (United Nations, 2015).

Even if several agreements were implemented, setting global goals was still necessary in order to come to grips with sustainable development for once and all. Thus, the Sustainable Development Goals (SDG's) were included in the mentioned agenda as a criterion of working together. Therefore, 17 universally agreed objectives and clear timelines associated with them were established. The SDG's are adjusted to the triple bottom line as economic well-being, social inclusion and environmental sustainability are the roots of the goals (SDG Academy, 2019).

2015 was indeed a landmark year for international policy shaping, with the adoption of several major agreements, not only the 2030 Agenda. One of the most important ones is the Paris Agreement on Climate Change, set in December as part of the COP21 (the so-called Conference of the Parties) and mentioned above as part of the UNFCCC (United Nations, n.d.). Now, later this year, another Summit will be held in New York to follow up the previous one. On 24 and 25 September 2019 the United Nations members will review progress in the implementation of the 2030 Agenda and the SDGs (United Nations, 2019b).

1.2.2. The role of the European Union towards sustainability

A vast majority of European countries are part of the UN agreements yet, specific regulation from Europe has been set.

Bearing in mind the output of the UN conventions in order to create their own regulations, the European agreements strive to meet the sustainable development goals within their own legal framework. The European Commission[3] on Environment is the main

[3] The EU Environment Commission has delegated responsibility to the Environment Directorate General of the European Commission, frequently called DG Environment or DG ENV. Thus, it is now the specific body in charge of developing and carrying out the Commission's policies on Environment. Nonetheless, as the DG ENV is part of the EU Environment Commission and to simplify the explanation, the term "Commission" will be used to describe the basic framework of the European Environment Policy

organization legislating on sustainable development in a European level. Set up in 1973, the Commission agrees on policies to protect the Environment and help businesses make progress towards a more sustainable economy. This way, immediate and long-term objectives are implemented regarding their social, economic and environmental consequences. In other words, the sustainability concept is the building block of the European legislation (EU Environment, 2017).

Needless to say, sustainable development is addressed as an overarching objective for the EU straight from the Treaty on the Functioning of the European Union (TFUE). Gathered in the Articles 11, 191 and 193 of the Treaty, the "Environmental protection requirements must be integrated into the definition and implementation of the Union's policies and activities, in particular with a view to promoting sustainable development" (Consolidated version of the Treaty on Functioning of the European Union. Official Journal of the European Union, 26 October 2012).

The EU environmental policy has made strides since its foundation in 1972, as a consequence of the first EU Conference on the Environment (Ohliger, 2019). Its framework has broadened and it currently consists of five different sections:

A. The Environment Action Programmes
B. Horizontal Strategies
C. International environmental cooperation
D. Environmental impact assessment and public participation
E. Implementation, enforcement and monitoring
(Ohliger, 2019)

1.2.2.1.The Environment Action Programmes

To begin with, the Environment Action Programmes (EAP) are the blueprints in which the most important environmental goals are defined and set out in a general strategy. The EAPs have steered the development of EU Environment policy since the 1970s, and each of them has been tracked thoughtfully to see whether the objectives have been met or not (EU Environment, 2019a).

The 7th EAP is the last programme adopted and it will be guiding the European environment policy until 2020. Though, it is underpinned by a vision beyond that considering where it wants the Union to be by 2050 and addressing that this latest review is in line with the already mentioned UN Sustainable Development Goals (SDGs) (EU Environment, 2019a).

1.2.2.2.Horizontal strategies

The leading horizontal strategy of the EU in regards of sustainability is the Sustainable Development Strategy (SDS) presented in 2001. This initiative states that integration of economic growth and environmental sustainability is the sole procedure for assuring a sound future. Hence, the overall aim of the EU SDS is to accomplish the Brundtland definition, that is, to reach a conspicuous level of sustainability (Ohliger, 2019)

The EU SDS is not a single document but rather a result of a multi-layered process which embraces different UN policies (EU Environment, 2017). Renewed in 2006 and 2009, the EU SDS acknowledges that unsustainable practices are still a problem to be faced and solidarity with partners outside Europe is urgent, especially with developing countries as they play a significant role in sustainable development. Thus, external and internal policies are addressed in the renewed versions of the SDS (Ohliger, 2019)

1.2.2.3.International environmental cooperation

The EU has always played a key role in international environmental and sustainable development (SD) policies. For example, the mentioned SDS covers not only internal issues of the EU, but also external matters concerning SD. This idea of having cross-sectoral SD strategies comes from the already mentioned Rio Summit in 1992 (Steurer & Hametner, 2010). In its Agenda 21 the strengthening of "national institutional capability and capacity to integrate social, economic and environmental issues" is asserted as a necessity. Thus, the Agenda 21 has as its primary goal monitoring the implementation of these regulations at the local, national, regional and international levels.

This way, the EU helped in shaping the 2030 Agenda and other equally important outputs of the UN. An example of this is the significant part the EU had in the main treaties fighting against Climate Change: The Paris Agreement and its predecessors the Montreal Protocol and Kyoto Protocol, where the EU was the key driver of the last two and helped modelling the first one (Steurer & Hametner, 2010). Protection of Biodiversity is also another contribution from the EU towards international cooperation, as it set up a global strategy to curb the detriment of biodiversity by 2020 (Steurer & Hametner, 2010).

1.2.2.4.Environmental Impact Assessment

Another important part of the European Commission towards SD is assuring a lesser environmental impact on the new projects conducted by the EU. An environmental impact assessment is thus essential. Here, the possible problems and consequences of e.g. the construction of an airport, are planned beforehand. Consequently, the projects have to be subject of a process called strategic environmental assessment (SEA) in order to be approved.

Moreover, it is interesting to mention that there are also projects especially conceived to improve sustainable practices in different sectors. The organic production (involving the agricultural and food sectors) is one of the most important ones, as it will be explained in the following chapters.

The Life Programme is the main EU's funding instrument for projects and it is increasingly important for Europe. Proof of this is the latest agreement for the EU Budget, in which the Life Programme will count with €558 million to keep funding projects in 2019 and representing a 6.8% increase compared with the previous year (EU Environment LIFE Programme, 2018).

1.2.2.5.Implementation, enforcement, and monitoring

Lastly, the Commission acknowledges that efforts remain insufficient when applying these environmental policies. For this reason, in 2016 the Environmental Implementation Review (EIR) has been launched to support the existing environmental legislation and, at the same time, securing the equal treatment of the Member States (Communication from the Commission to the European Parliament, the Council, the European Economic and

Social Committee and the Committee of the Regions Delivering the benefits of EU environmental policies through a regular Environmental Implementation Review. COM/2016/0316 final).

As one example of their work, the latest evaluation of the mentioned 7th EAP (see page 17) has been recently conducted by the EIR. On the 15th of May this evaluation concluded that the 7th EAP is regarded as a solid strategy; yet adjustments to new challenges and a cleared link with global issues are required. As a result, its 2050 vision will have a stronger bond with the SDGs (Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the evaluation of the 7th Environment Action Programme. COM/2019/233 final).

Apart from this, it is noteworthy that the expected outcomes of the EIRs are based on information mostly gathered through Eurostat (the main provider of statistics in a European level) and the European Environment Agency (EEA).

The EEA is the main institution at a European level provider of independent information on the environment. This agency, together with the European environment information and observation network (Eionet), concentrates information from individual countries to integrate data valuable for environmental policy-making in the whole EU. Furthermore, the EEA cooperates with the Organization for Economic Co-operation and Development (OECD) and the UN Environment Programme (UNEP) making this agency a source of high-quality data (EEA, 2019).

2. SUSTAINABILITY IN THE AGRI-FOOD INDUSTRY

Having analysed the concept of sustainability, its importance, and the existing regulation regarding sustainable development (SD), it is understood that it is indeed a growing challenge nowadays. The implementation of some international standards is still tricky, and one of the sectors where significant questions have raised about sustainable practises is indeed the agri-food industry (FiBL & IFOAM, 2019). Notwithstanding the foregoing, progress has been made in the sector. In fact, its increasing importance both in Europe and globally, make sustainable agriculture a key player towards sustainability.

Consequently, sustainability will be analysed with regards to the agricultural and food industry. In the following chapter a global and European approach will be given to the SD in this sector, but rather focused on Europe, as it will be more interesting for the practical case explained in the last chapter of this document.

2.1. ORGANIC AGRICULTURE AS A MEANS OF INCREASING SUSTAINABILITY

It is important to highlight that there are two concepts frequently mixed up that are not exactly the same: organic agriculture and sustainable agriculture. Sustainable agriculture alludes to those agricultural practices which "meet society's food and textile needs in the present without compromising the ability of future generations to meet their own needs" (Agricultural Sustainability Institute, 2019).

It is thus the application of the term "sustainability" in the field of agriculture. This concept adopts different techniques such as organic, free-range, low-input, holistic, and biodynamic (National Geographic, n.d.). Among them, the most used one is the organic approach. Indeed, the term "organic farming" is often used as "sustainable farming" even though it is not the exact same concept.

Organic agriculture draws the attention to growth regulations on farming and livestock activities whereas sustainable agriculture, apart from being a more generic concept which englobes every sustainable practice, it is more focused on growing food without jeopardising natural resources (Escoffier, 2014).

Nonetheless, through innovative regulation of farming activities (this is, managing organic farming adequately) natural resources depletion can be diminished. In other words, achieving sustainable agriculture requires a prior assessment of organic farming.

This is the reason why the vast majority of regulations and policies are referred to organic agriculture. Therefore, organic farming will be used as a synonym of sustainable agriculture in the chapters that follow, bearing in mind it is not an exact synonym but rather a means of achieving sustainability.

2.2. ORGANIC AGRICULTURE: DEFINITION & ORIGINS

Regulation is the backbone of organic farming. Though, it is necessary to be aware of what organic agriculture is, where does it come from, and the main priorities and implications it has. Thus, a better understanding of its evolution and the measures conducted by the EU with regard to improve organic farming will be ensured.

- **DEFINITION**

First of all, it should be mentioned that organic agriculture has several definitions. The EU Commission claimed that:

> "Organic farming differs from other farming systems in a number of ways. It favours renewable resources and recycling, returning to the soil the nutrients found in waste products. Where livestock is concerned, meat and poultry production are regulated with particular concern for animal welfare and by using natural foodstuffs. Organic farming respects the environment's own systems for controlling pests and disease in raising crops and livestock and avoids the use of synthetic pesticides, herbicides, chemical fertilisers, growth hormones, antibiotics or gene manipulation. Instead, organic farmers use a range of techniques that help sustain ecosystems and reduce pollution" (Schmid O. et al., 2008).

It can also be described as a more sustainable approach to obtain agricultural products because potential social and environmental impacts are considered, therefore excluding the use of fertilizers and pesticides, veterinary drugs, and other synthetic inputs when farming (FAO, n.d.).

- **ORIGINS**

Organic farming has substantially evolved since its origin in the twenties. More specifically, organic agriculture emerged in 1924 even though the term itself appeared later on. The Austrian philosopher Rudolf Steiner presented a course of alternative agriculture. The course, named Social Scientific Basis of Agricultural Development, laid the foundation of biodynamic agriculture[4] and, more generally, organic agriculture (Paull, 2011).

His work on agriculture was thoroughly studied and developed the decades that followed. In the 1960s the first organic production standards were established and, one decade later, organic agriculture started its development stage (Schmid O. et al., 2008). Knowledge and practice of organic agriculture increased after the oil crisis of 1973 because of its environmental consequences. Besides, the most important organic agriculture associations and research institutions were created (Behera et al., 2011).
Examples of this are:

- International Federation of Organic Agriculture Movements (IFOAM) ⇒ 1972 (IFOAM, n.d.)
- *Fédération Nationale d'Agriculture Biologique des régions de France* (FNAB) ⇒ 1978 (FNAB, 2016)
- *Forschungsinstitut für biologischen Landbau* (FIBL) ⇒ 1973 (FiBL, n.d.)

The IFOAM- Organics International is the largest non-governmental institution of organic agriculture in the globe. Similarly, the FIBL is the largest research organization on this topic. These associations had a pivotal role in the organic farming development because of their contribution in standardizing the production and improving the market of organic products. In addition, they were crucial in researching and they increased customers' awareness on organic practices (Behera et al., 2011).

[4] Biodynamic agriculture is an alternative form of agriculture based on the work of Rudolf Steiner. He established a more holistic and spiritual approach to agriculture. Biodynamic agriculture is, broadly speaking, the application of astrology to agriculture. It meets the organic production requirements but it is more restrictive. Likewise, it is a controversial form of agriculture because its core is a philosophy, not a science.

Furthermore, IFOAM and its standards for organic production triggered the development of national regulations on organic farming (Schmid O. et al., 2008). In 1987, Denmark became the first country to implement a regulatory framework for organic farming. Later on, other countries would follow Denmark, and Europe would establish its first European Organic regulation in 1991, as it will be explained in the following pages (FiBL & IFOAM, 2019). Organic farming evolved rapidly since the 1990s. Numerous movements of governmental and nongovernmental organizations were executed and more legislation was proposed and implemented (as it will be explained later on).

2.3. ORGANIC FARMING IN LINE WITH THE SDG's

Even though the situation of organic farming in Europe will be explained in a more detailed way than the situation on a global scale, it is also remarkable that agriculture (and more specifically sustainable agriculture) is closely related to some concepts previously explained when referring to sustainability in general.

UN summits and conferences have regarded agriculture as one of the backbones of SD due to its impact on several environmental challenges such as climate change, land degradation, and biodiversity loss. Likewise, social matters such as overpopulation, and dealing with poverty in developing countries can be improved through sustainable agriculture. This way, sustainable agriculture is a means of ensuring some of the Sustainable Development Goals (SDGs) and the agri-food sector a crucial part of the worldwide SD. These matters and the implications both in Europe and globally of sustainable agricultural practices will be thoroughly explained in this chapter.

In the same vein, organic agriculture also plays a part in meeting the SDGs due to its correlation with sustainable agriculture. The latest study of FiBL and IFOAM Organics (2019) provides all the information about the organic agriculture current situation. This report points out that organic farming with its favourable policy with the environment, and its reliable regulations and standards has proved to be a means of achieving several SDGs (FiBL & IFOAM, 2019).

It is noticeable that private organizations as i.e. IFOAM, kept in mind the needs of the UN organizations such as the Food and Agriculture Organisation (FAO), the World

Health Organisation (WHO), and the United Nations Conference on Trade and (UNCTAD). One example of this was the last IFOAM strategy adopted in 2017 which goal was to serve many of the SDG's. To be more precise, SDG 2: Zero Hunger, and SDG 12, Responsible Consumption and Production are directly addressed (FiBL & IFOAM, 2019).

Thus, organic practices have been inevitably linked with sustainable development with Europe as a key player on regulating them. The "Good Food for All" campaign organised by 25 European partners and supported by the IFOAM EU is an excellent example of it. This campaign is part of the 3-year project named "Make Europe Sustainable for All" whose principal aim is to implement the SDGs in the agricultural and food sectors. In this context, the SDG: Zero Hunger is the major focus (IFOAM , n.d.).

Even if organic farming has not the weight of the conventional one, the increase of laws and initiatives over the past 15 years demonstrates the growing concern of organic agriculture.

2.4. LEGISLATION AND POLICIES IN EUROPE

After having mentioned the most important legislation on sustainability, now the focus will be in the description of different sustainable rules and projects in the agri-food industry. These laws are a key element for achieving sustainability in the agricultural sector and, eventually, getting closer to a more sustainable life for us all.

2.4.1. Main regulations

Regulation on sustainable agriculture became important in the past few decades. As it was mentioned above, the concept of organic farming was first introduced in 1924. (see origins of organic farming, page 23) Nevertheless, it was not until 1987 that a country implemented its first regulatory framework for organic farming.

Four years later, Europe followed the path set out by Denmark and established its first regulation, the (EEC) No 2092/1991. This Council regulation was focused on ensuring the authenticity of organic products as a suggestion of the Common Agricultural Policy (CAP) (Schmid O. et al., 2008). This system of subsidies for farmers, which profoundly influenced the development of sustainable agriculture, will be fully covered in the next

point. Here, it is important to point out that the CAP acknowledged the potential of organic farming and perceived that trust from consumers was necessary. Scarcity of knowledge on the topic led to misunderstandings and fraudulent practices. Therefore, the European regulation was adapted to those needs and evolved towards a complete framework on organic standards and labelling of organic products (Schmid O. et al., 2008). Later, in 1999, a review was made in the (EC) No 1804/1999, centred around livestock living conditions and GMOs were prohibited. In 2004, the first European Action Plan (EAP) for Organic Food and Farming[5] was launched and, three years later, the EU organic regulation on organic production and labelling was reviewed (Council regulation (EC) No 834/2007). This last document repealed the first one mentioned ((EEC) No 2092/1991).

In 2014, the second EAP for Organic Food and Farming was released (FiBL & IFOAM, 2019). Lastly, the European Parliament revised the regulation implemented and published the latest law on organic farming: Regulation EU 2018/848 of the European Parliament and of the Council of 30 May 2018 on organic production and labelling of organic products. This regulation will enter into force on 1 January 2021[6] (FiBL & IFOAM, 2019).

Currently, 42 countries in Europe have legislation on organic agriculture being Russia and Ukraine the last ones approving their organic laws last year (FiBL & IFOAM, 2019). In the case of Russia, its law on organic production will come into force in 2020. Regarding Ukraine, the date of full implementation is August 2019. Here, it is important to mention that the Ukraine law covers the requirements for organic production, trade, and labelling of organic products and it is harmonised with the EU organic legislation. Another case is the situation of Belarus, where negotiations are in the final stage and adoption is expected in the next few months (FiBL & IFOAM, 2019).

[5] More information on the topic will be find in the next pages.

[6] Due to the fact that they agreed on general facts gathered in the "Basic Act", a lot of them have to be developed and implemented throughout the secondary legislation; the so-called "delegated acts", and "implementing acts".

Explaining the regulation of the EU in the agricultural sector means that some policies have to be taken into account. Thus, a major milestone when it comes to organic agriculture is the proposal for the Common Agricultural Policy (CAP), also regarded to function from 2021 until 2027 and one of the most important decisions affecting organic agriculture.

2.4.2. The Common Agricultural Policy (CAP)

The Common Agricultural Policy (CAP) is one of the major supporters of organic farming in the EU, and a key player for the entire Europe 2020 strategy. By providing subsidies and grants schemes, Europe aims to ensure the highest possible protection for farmers. In the same vein, guaranteeing affordable and safe food for the European citizens is viewed as a primary goal for the CAP (European Commission, 2019).

These two objectives have been the main purpose of the CAP since it was launched in 1962. From that moment on, the CAP has enormously evolved in order to improve agricultural productivity, food quality, and sustainability in the agri-food industry. Numerous changes have been made to this partnership, yet the most significant ones are the following:

Back in 1984, the CAP intended to ensure a minimum level of production, hence the payments were based on farmers' production levels. This caused a huge supply and a food surplus became a problem to tackle (Jeffery, 2003). A reform was necessary and thus the CAP cut the link between subsidy and production. A more environmentally-friendly approach was also encouraged. Meeting animal health and welfare, food safety, and environmental standards became required conditions for paying the farmers. This shift took place in 1992, when the term of sustainability gained worldwide importance during the first Earth Summit explained in the prior chapter. The major changes occurred, though, with the latest reform in 2013, where the promotion of sustainable farming and innovation were addressed. The key priorities in this reform were: viable food production, sustainable management of natural resources, and balanced development of rural areas. (Jeffery, 2003).

Plus, a minimum share of the budget to be dedicated to environmental and Climate Change actions as well as efforts to improve food attributes were considered (European Commission, n.d.1).

2.4.3. Organic action plans

As noted above, Europe adopted its first European Action Plan for Organic Food and Farming in 2004. Nonetheless, some other national Organic Action Plans were previously launched. The first one was in Denmark (1995) being not only the pioneer in organic farming regulation, but also with regards the Organic Action Plans (Schmid O. et al., 2008). It is defined as a strategic instrument for governments to integrate different policies and thus improve the organic sector as a whole which, additionally, will help reduce environmental impacts and ensure a better food quality (among other benefits) (Schmid O. et al., 2008).

The European Organic Action Plan for Organic Food and Farming resulted from three years of discussions of the European Commission after a conference on organic food and farming in Copenhagen (2001). The EAP is intended to be the foundation of organic farming development in Europe (Schmid O. et al., 2008). It also encourages the help towards EU farmers, distributors, and retailers to adapt to the changes included in the new regulations (European Commission, n.d.1). It is noteworthy that the EAP for Organic Food and Farming neither contain quantitative targets nor a designated budget (Schmid O. et al., 2008). Notwithstanding the above mentioned, their recommendations are crucial to the sustainable development of the sector. To name a few:

- "Regular consumer surveys to evaluate the recognisability of the EU organic logo;
- Greater help for EU countries on how to combat fraud in organics and prevent the improper use of the organic logo;
- Further cooperation with third countries to try to increase the opportunities for EU importers and exporters of organic food;
- Development of an electronic certification system for import;

Encourage use of organic food e.g. in schools through EU green public procurement" (European Commission, n.d.1).

These are examples of the newest EAP for Organic Food and Farming implemented in 2014 and mentioned above, the so-called: EU action plan for the future of organics.

Apart from the EAP and several regulations released, the European Parliament has always had the purpose of rising communication among organizations (both public and private) in order to improve the situation of organic farmers all along the continent. Conferences, meetings, and projects were launched and funded under the EU framework to strengthen partnerships across Europe. Examples of this are the International Conference on Organic Agriculture Sciences (ICOAS) and CORE Organic, which recently selected 12 European projects to be launched in the following years. Nevertheless, one stands out as the driver of innovation and research on the field, the Horizon 2020 (FiBL & IFOAM, 2019).

2.4.4. Projects supporting organic food & farming sectors

2.4.4.1. Horizon 2020

Horizon 2020, also named H2020, is the most ambitious programme of the EU in research and innovation. More than 80.000 million euros have been invested in several projects covering the period of seven years, from 2014 to 2020 (plus private investors) (European Commission, 2014).

The H2020 accounts with a programme for agriculture, which intends to increase the projects concerned with organic practices while increasing production efficiency through innovation. Recently, the follow-up of the H2020 was implemented. Horizon Europe will follow the steps of its predecessor and will run from 2021 until 2027. It should "accelerate the transition towards sustainable approaches in all forms of agriculture, including conventional and organic agriculture" (IFOAM EU GROUP, 2018).

2.4.4.2. EAP GREEN

The EaP GREEN is a project led by the UN Environment (UNEP) in collaboration with the Organisation for Economic Co-operation and Development (OECD), the United Nations Economic Commission for Europe (UNECE), and the United Nations Industrial Development Organization (UNIDO) (OECD, 2019).

This project named "Greening economies in the Eastern neighbourhoods" (EaP Green, 2017), comes from a previous study of the UNEP. Their research proved the potential of organic farming, especially in the Eastern European, Caucasus and Central Asian (EECCA) countries. In this area, a low usage of pesticides and a high availability of agricultural labour represent two important factors to consider the EECCA an ideal region for the project. Consequently, the EaP GREEN was set in motion in 2013. During this project, which ended in 2018, the organic agri-food supply chain of these countries (Ukraine, Moldova, Armenia, Georgia, Belarus, and Azerbaijan) was strengthened (EaP Green, 2017).

Related SDGs improved because of this project according to the UNEP are:

- SDG1: No Poverty
- SDG8: Decent Work and Economic Growth
- SDG9: Industry, Innovation and Infrastructure
- SDG11: Sustainable Cities and Communities
- SDG12: Sustainable Consumption and Production

(UN Environment, n.d.)

The projects mentioned are only some examples of the increasing importance of organic farming in Europe. In addition to the main laws and projects presented, it is interesting to mention the import requirements organic agriculture has in Europe, as it affects the development of organic practices and it has been seriously examined by this continent.

2.4.5. Import requirements

When it comes to importing organic products, the key markets are the EU, the United States (US), Canada, and Japan (FiBL & IFOAM, 2019). All of them have regulation concerning importation of these products. Therefore, these legally binding requirements have to be taken into account in respect of the legislation surrounding organic products.

Two procedures are considered to get the approval of the target country: bilateral agreements between both countries, and direct acceptance of the certifying agency by the target import country.

2.4.5.1. Bilateral agreements between the exporting and the importing country

The importing markets above mentioned have options for bilateral recognition. The EU recognises 13 countries as being equivalent to the EU's system (FiBL & IFOAM, 2019). As to mention one of the agreements, the US-EU Organic Equivalency Arrangement was published in 2012 and it is the main document to approve organic products marketed from the EU to the US and vice versa. Under this agreement, the EU recognises the National Organic Programme (NOP) from the United States Department of Agriculture (USDA) as equivalent to the EU Organic Programme. Still, some criteria need to be met for adoption of the organic products (USDA, 2017).

US organic products can be traded as "organic" in the EU using the EU organic logo under two circumstances:

A. Tetracycline and streptomycin were not used to control fire blighting apples and pears.
B. An import certificate is issued by a certifying agent accredited by the USDA NOP.

And ditto for the EU. To get the European organic products to be marketed using the USDA organic logo, they have to meet the following conditions:

A. Antibiotics were not administered to animals; and
B. An import certificate is issued by an EU approved certifying agency.

Furthermore, all the products have to be traded with an organic import certificate for assuring that all the standards were met (USDA, 2017).

This is an example of one of the agreements the EU has. However, the other 12 countries of the list mentioned above have also being recognised as equivalents of the EU Organic Programme. More information on this subject can be found on the Commission Regulation (EC) No 1235/2008, the European document in charge of explaining all the arrangements within the framework of organic products imports (Council Regulation (EC) No 1235/2008 of 8 December 2008 laying down detailed rules for implementation of Council Regulation (EC) No 834/2007 as regards the arrangements for imports of organic products from third countries. Official Journal of the European Union).

2.4.5.2. Direct acceptance of the certifying agency

Another method to obtain the authorisation is through a recognised inspection authority. The European Commission published a list of control bodies and authorities which apply equivalent standards and control schemes in non-EU countries. The list, gathered in the previously mentioned regulation (Commission Regulation (EC) No 1235/2008) recognised these bodies since 2012 (FiBL & IFOAM, 2019).

2.5. HIGHLIGHTS AND TRENDS OF THE ORGANIC MARKET

In order to explain the current situation of the organic agri-food sector, it is important to understand the trends and challenges in both organic farmland and the organic food market.

2.5.1. Organic farmland

The 2019 IFOAM study found out that by 2017, 1.4 percent of the world's agricultural land was organic. That year organic farmland increased by 11.7 million hectares, being the largest increase ever recorded. However, it is noteworthy that this situation was mostly triggered by Australia, as 8.5 million hectares came from there. Indeed, Oceania has half the world's organic agricultural land, whilst in Europe the percentage drops to 21 percent (FiBL & IFOAM, 2019).

2.5.2. Organic food market

Valued at 34.8 billion euros and led by Germany, the European market for Organic food is the second largest in the world, only preceded by the United States (US). It is increasing each year and now more and more governments try to include organic ingredients to sectors where there were not incorporated thus far (canteens, cafés, restaurants, etc.) (FiBL & IFOAM, 2019).

Referring to organic ingredients it is also important to mention the imbalance among countries when organic shares are examined. Organic shares measure the importance a specific country gives to organic products. In this respect, countries such as Denmark outperform in almost every product. As to name a few examples, in Denmark organic

milk accounts for 30 percent of the total market sales, reaches the 52 percent in organic oat milk, and achieves a 30 percent in organic eggs (FiBL & IFOAM, 2019).

It is remarkable that there are general trends in organic products. For example, organic eggs reach the 30 percent of Denmark in a lot of countries, whereas organic beverages and meat have low market shares in the whole EU. This is due to the very cheap offer in the traditional market and, in the case of meat, there is a perceivable tendency of not buying meat among organic consumers (FiBL & IFOAM, 2019). Lastly, and despite the optimal situation of the organic sector, there are some challenges gathered in the 2019 IFOAM report which need to be addressed as soon as possible:

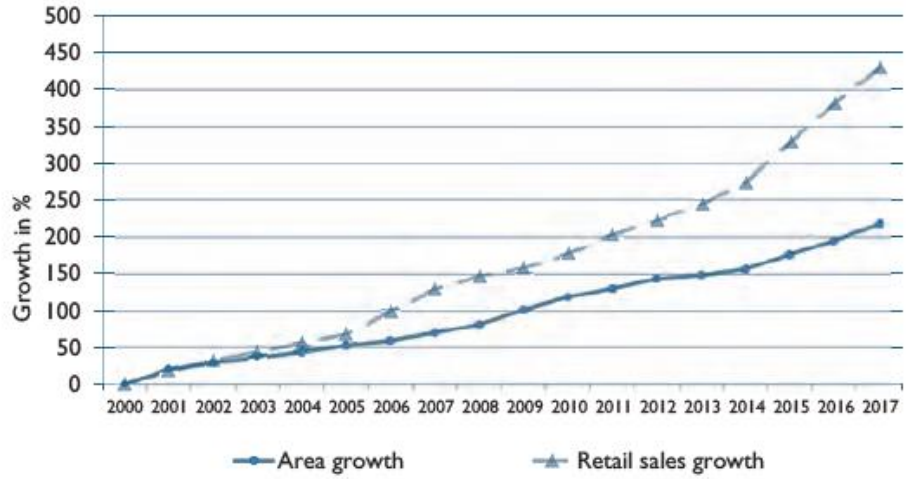
2.5.3. Challenges

A. **Rising number of standards**: There are around 80 national standards and the number increases if the private standards for organic agriculture are taken into account. This situation makes the organic certification a more complex process (FiBL & IFOAM, 2019).

B. **Demand concentration:** two countries generate almost 90 percent of organic food sales whilst organic crops are grown in 181 countries. Internal markets development becomes therefore essential for improving the organic sector as a whole (FiBL & IFOAM, 2019).

C. **Supply shortfalls:** As it can be seen in the graphic below, organic food sales are growing significantly faster than organic land area. This means that supply shortfalls can be a serious problem for the sector if not addressed in the short run (FiBL & IFOAM, 2019).

Graphic 2.1. - European growth of organic area and retail sales (2000-2017)



Source: FIBL-AMI (2019)

D. **Trade agreements:** Trade wars such as the one of the US with China has a huge negative impact on exports of agricultural crops. Likewise, the Brexit situation can strike exports from the United Kingdom (UK) to the rest of the EU, which will surely decrease organic food market in the UK because most organic raw materials come from other European countries (FiBL & IFOAM, 2019).

E. **Competing labels**: As with the standards issue, there are a broad range of labels which are competing with each other. Even if "organic" is the dominant ecolabel, as it will be explained later on, there are more than 200 labels which can affect the purchasing decision of organic consumers. There is even competition from vegan food and "free-from" foods (gluten-free, dairy free, etc.) (FiBL & IFOAM, 2019).

3. THE BRAND

The vast majority of the world's population lives surrounded by brands. Google, Nike, Starbucks or Apple are names easily recognised anywhere around the globe. On top of that, consumers have adopted brands as an expression of their way of living, becoming thus a part of their everyday life and an essential concept for companies.

But what is a brand? Why is building a strong brand a necessary target for any company nowadays? Answers to these questions will be given in this chapter, in which the brand equity (BE) models of the prestigious marketing professors David A. Aaker and Kevin L. Keller will be fully explained. In addition to their findings, other approaches of brand equity will be mentioned.

3.1. BRANDS: DEFINITION AND ORIGIN

For most of us, a brand can be deemed as a name or a logo, but it is indeed much more than that. According to the American Marketing Association (AMA), a brand is "a name, term, design, symbol or any other feature that identifies one seller's good or service as distinct from those of other sellers" (The Branding Journal, 2015). Nevertheless, Stuart Agrees, the past Director of Corporate Research for Young & Rubicam, goes a step further introducing the term "promise" in his definition of brand. He claimed: "A brand is a set of differentiating promises that link a product to its customers" (Aaker, 1996).

This way, a brand is considered more than just a way of differentiation from one product to another. It is a name or logo, but it is also the associations a consumer has in his/her mind regarding the name or logo. Referring to the examples above, the well-known Steve Job's masterpiece is associated with creativity and innovation, not only to laptops and cell phones. In other words, a brand is what remains in the customer's mind when thinking about a specific name or logo (Aaker, 1996). For this reason, brands are incredibly powerful and building strong brands, a keystone for every business nowadays.

Brands have grown in importance over the years, yet they have existed for quite some time now. The origin and evolution of brands it thus noteworthy to fully understand their significance at the present time:

Brand-based products came as a result of industrialization. Industrial production fostered the creation of brands due to the progress of mass production. In other words, factories began to produce millions of nearly identical products and thus differentiation among them became an essential need. The first step was to bestow a name for goods that, up until then, were generic products. As a result, in the 1880s logos and symbols appeared in goods such as the Campbell's soup or H.J. Heinz. In addition, and as a remarkable fact, merchants were the key players in the promotion of the first branded products and it was not a coincidence. As Naomi Klein explains in her book *No Logo,* the first images of brand-based products were accompanied by shopkeepers so that consumers could see their local sellers reflected in them. They wanted to evoke the idea of familiarity. This way, the brand would eventually replace the local vendor as the link between the product and the consumer. However, between the end of the nineteenth century and the beginning of the twentieth, advertising continued to be based on the characteristics of the product and as a means of differentiating other goods. A publicist at that time said: "an advertisement should be big enough to make an impression but not any bigger than the thing advertised" (Klein, 2000).

But gradually, companies started realizing that brands could conjure up emotions. An example of this is how, in the early 1920s, General Motors became an example of something close to us, humane. In 1923 Bruce Barton, a prestigious adman, mentioned that the name of General Electric Company was "the initials of a friend" and he claimed that the role of advertising was to help companies to "find their soul". Hence, a burgeoning awareness of the potential this could have, truly shifted the focus of the companies. Here, the idea of only focusing on the characteristics of the products was left behind and firms started looking for the true meaning of brands and possibilities they could offer (Klein, 2000).

The crucial moment arrived in 1988 when Philip Morris, the tobacco manufacturing company purchased Kraft, one of the world's largest food and beverage manufacturers (Cole, 1988). This merge was six times bigger than the company's worth on paper (Klein, 2000). The price difference was the cost of the word "Kraft", in other words, the brand of the company. "With the Kraft purchase, a huge dollar value had been assigned to something that had previously been abstract and unquantifiable -a brand name" (Klein, 2000).

This way, companies started being measured above their book value due to the additional value of the brand. It led to an increased interest of building a brand identity. Therefore, this purchase was seen as a turning point for brands. As Harvard's Ted Levitt claimed: "the new competition is not between what companies produce in their factories, but between what they add to their factory output in the form of packaging, services, ads, customer advice, financing [...], and other things that people value" (Klein, 2000).

Nowadays, it is clear that it has been a tremendous shift in the priorities for companies. Globalisation and, consequently, the liberalisation of markets has made production of goods and services a secondary aspect of their day-to-day operations. Now, the priority is to produce strong brand identities (Klein, 2000).

3.2. BRAND VALUE VS. BRAND EQUITY

Brands play different roles for both customers and firms, and thus several approaches emerge from considering how much a brand is worth. The most important ones though, are the Brand Value (BV) and the Brand Equity (BE):

- Brand Value: the value for the company, the financial significance the brand carries
- Brand Equity: the value a brand has for customers. Therefore, it is a marketing approach of a brand's worth (Aaker, 2016)

These concepts are related, as a strong brand equity will boost a better brand value, increasing thus the financial returns of the company. Nevertheless, a positive BV does not equal positive BE in every single case. Apart from this, and as noted above, the BE follows a marketing approach whereas the BV is a matter of the financial department of the firm (Aaker, 2016).

The brand equity models will be explained later on, but it is important to mention the different roles brands play to consumers to provide a better understanding of the BE and its relevance. In fact, one of the keystones of managing a brand equity effectively is to recognise the ways in which strong brands create value for customers.

In short, as Kevin L. Keller asserts: "if consumers recognize a brand and have some knowledge about it, then they do not have to engage in a lot of additional thought or processing of information to make a product decision" (Keller, 1998). In other words, a brand makes easier for a consumer to choose between a product or another, it is a means of simplifying a buying decision.

More importantly, brands create crucial relationships with customers. As noted earlier when explaining the origin of the brands, these bonds are not necessarily seen in a functional way. They are rather personal and even symbolic benefits the customer perceives from a specific brand. Consumers are loyal to a brand not only because it serves the needs it offered to the customer, but also because of the values and traits it reflects to its clients. Oftentimes, brands allow consumers to project their own self-images and thus creating a personality in which more people can be reflected (Keller, 1998).

3.3. IMPORTANCE OF BRAND EQUITY

Different methods of analysing and measuring BE have been defined through the years. Nevertheless, in this section Aaker's model will be the cornerstone of the explanation as it is considered the main model of BE (Siabato & Duque , 2014). Keller's approach, though, will be also mentioned, as it complements the one of Aaker, reinforcing some points and highlighting others. Both models have a customer-oriented perspective and emphasize the importance of both brand awareness and associations.

Brand Equity (BE) is, in the words of Aaker, the "set of assets (and liabilities) linked to a brand's name and symbol that adds to (or subtracts from) the value provided by a product or service to a firm and/or that firm's customers" (Aaker, 1996). Aaker considers in his model 4 essential dimensions which led to a strong BE: brand loyalty, brand awareness, perceived quality, and brand associations. Brand associations, a keystone for Keller's model, are the drivers to brand identity, another crucial factor for achieving an optimal BE in words of Aaker.

3.3.1. Brand loyalty

"A brand that captures your mind gains behaviour. A brand that captures your heart gains commitment" (Aaker, 1996). Brand loyalty is considered the main pillar of Aaker's model and it is defined as the attachment a client has for a brand (Siabato & Duque , 2014). Furthermore, Keller does not define loyalty as the main point of his approach, but he does consider it as one dimension of the brand resonance, the pinnacle of the CBBE pyramid; that is, the situation every brand has to reach in order to create significant BE (Keller, 2001).

Customer's loyalty contributes in rising a brand's value (BV) (Aaker, 1996). Therefore, for Aaker is an asset which needs to be considered worthy of building a programme to help the firm strengthen its clients' loyalty, and thus improving its BE.

As noted above, when differentiating between BE and BV, it was pointed out the financial approach the BV has. Here, BV is affected by brand loyalty because "it is simply much less costly to retain customers than to attract new ones" (Aaker, 1996). Besides, a brand without loyal customers is much more vulnerable than other with a stable loyalty rate. The second one has more predictable profits and sales. Likewise, it represents an entry barrier to competitors because loyal clients do not often change of brand (Aaker, 1996). Loyalty segmentation serves as a guide to better implement strategies focused on brand loyalty (Aaker, 1996). Aaker distinguish 5 different groups:

1. Non-customers
2. Price switchers
3. Passively loyal
4. Fence sitters
5. The committed

As their names suggest, non-customers are the ones currently choosing the competition, and the price switchers the group of customers who are price sensitive. That is, the ones who decide based on the cheapest brand. Apart from these, the passively loyal are the part of consumers "out of habit but for no specific reason" (Aaker, 1996). The fence sitters are indifferent between two or more brands; and lastly, the committed are the ones who are currently purchasing the chosen brand.

Aaker points out that firms take for granted the passively loyal and the committed. He argues that businesses rather than investing in non-customers and price switchers should focus on the other two groups mentioned. Specially to the committed because of their high potential. Consequently, Aaker suggests that special promotions should be carried out to enhance loyalty. Examples of these are conducting frequent-buyer programmes and customer clubs, to name a few (Aaker, 1996).

3.3.2. Perceived quality

A brand with status has an edge over the rest of well-known brands. The more quality customers appreciate; the more status the brand will gain. Status and perceived quality go therefore hand in hand and have numerous advantages for the firms. One of them is that, for example, studies have shown that perceived quality is one of the most important contributors to a company's Return on Investment (ROI). Indeed, Robert Jacobson and David A. Aaker assert that perceived quality had more importance to the ROI than market share, R&D, or marketing expenditures (Jacobson & Aaker, 1987).

It is hence relevant for companies to create not only a product of quality, but also a product which reflects the quality the customers ask for. This is important not only for Aaker's model, once again Keller's CBBE addresses perceived quality. Here, the quality is part of the customers' judgements, one of the divisions of the brand responses level of his pyramid (Keller, 2001). Therefore, it is also significant for him and should be taken into account.

Perceived quality does not equal actual quality and that is a detail most businesses take for granted. Moreover, understanding customers is key because they will only judge some features of the product itself. Lack of time, motivation, or simply knowledge, make consumers to consider only a few things when classifying a brand as one of high-quality, or the contrary. Building a strong brand equity requires building perceptions of the quality we want to project to customers, making them easy to know whether our brand is a premium brand or a price brand (Aaker, 1996).

3.3.3. Brand awareness

Brand awareness is defined as the "strength of a brand's presence in the consumer's mind" (Aaker, 1996). Consumers remember a brand in different ways, and that the reason why there are also different ways of measuring a specific brand awareness:

- **Brand recognition**: It refers to the familiarity of a brand for a customer. Having a past experience with a brand is significantly important for remembering it afterwards. Thus, companies have to correctly and constantly deliver a message to make easier for customers to remember it. Here, the word "correctly" is essential because having a high recognition does not equal being a strong brand. Weak ones can be also highly recognised but not in the way the company expected. As Aaker (1996) claimed in his book Building Strong Brands, "It is one thing to be remembered; it is quite another thing to be remembered for the right reasons (and to avoid being remembered for the wrong ones)"

- **Brand recall**: a brand's recall alludes to the likeliness of thinking about a specific brand when its product class is mentioned. The recall and the recognition serve as the foundation of remembering a brand and they are equally important

Another point of view is the one of Keller. The marketing professor addresses brand awareness as a crucial point of the BE building strategy. In fact, raising awareness of the brand is the foundation of his model. It is considered as a means of improving brand salience and two different dimensions are therefore discussed: the depth and breadth. Depth is the recall of the brand whereas breadth is the range of consumption and purchase whenever the brand is recalled. In other words, for Keller brand awareness is classified into its depth and breadth, and achieving both means that consumers often think about the brand and they are also buying it (Keller, 2001).

- **Brand name dominance**: Apart of recognising a brand, it is important to mention that oftentimes there are some specific brands which have become the reference of a product. As a consequence, the name of the product and the brand itself can be confused with each other.

An example of this would be the case of Kleenex. This brand has a high recognition because, when thinking about Kleenex, the first thing that comes to everyone's mind is a tissue (this is a result of delivering the correct message, constantly) (Aaker, 1996).

Likewise, it has a strong recall because it is indeed very likely to think about this brand when mentioning its product class. But Kleenex goes a step further. This brand has a name dominance because when someone mentions "tissue" the vast majority of people think about Kleenex (and not another brand). This means that the brand achieved a name dominance; it is not infrequent hearing people referring to Kleenex instead of tissues because they already consider it a synonym (Aaker, 1996).

- **Creating awareness**

Nevertheless, creating awareness is not an easy task for companies. Consumers are increasingly surrounded by marketing messages, making the recognition of a specific brand more and more challenging (Aaker, 1996). As the French politician Noël Mamère said: "too much information kills information" (Le Parisien, n.d.). Nowadays, this is indeed a problem. People have difficulties of choosing because they are constantly receiving information about brands. Therefore, brands are now focused on diminishing the number of their brands to provide a closer look into brand-building efforts. In order to create awareness, companies are also trying to think outside the box when promoting their brands as there is a rising need for innovation in this field (Aaker, 1996).

3.3.4. Brand associations

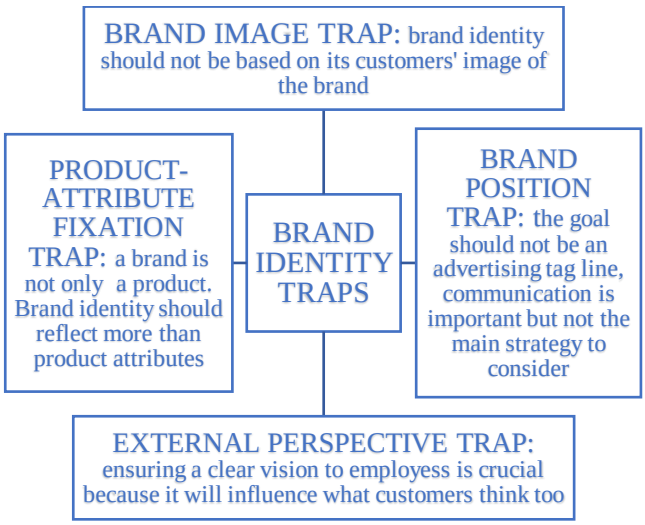
Brand associations are one of the most important drivers of brand equity for both marketing professors Keller and Aaker. They can be defined as the different bonds that consumers make about a brand. Associations are particularly linked with the brand identity which is one of the core concepts of Aaker's model of BE (Aaker, 1996).

Brand Identity, as it will be further discussed, is the group of associations a company wants to transmit to their customers. In other words, building a brand equity requires of prior development of the brand identity in order to align the associations the company wants to transmit and the associations the customers finally make (Aaker, 1996).

3.3.5. Brand identity

Aaker defines brand identity as the "heart and soul" of the brand. It provides direction, purpose, and meaning of the brand itself. (Aaker, 1996). As a result, brand's strategic vision should be focused on its brand identity taking a careful look into its brand associations. To ensure an optimal strategy for building a company's brand identity, both the challenges and the dimensions Aaker studied should be thoroughly examined. There are four different "traps" the companies tend to fall into, which are the following: (Aaker, 1996).

Figure 3.1.- Brand Image Traps



Source: Aaker (1996)

In order to have an excellent brand identity companies should avoid these pitfalls and explore the four dimensions Aaker explains. The four dimensions to be considered are the ones that follow:

3.3.5.1. Brand as a product

In this dimension Aaker gathers six different categories which are equally important to see the associations a company needs to stand out to achieve a good brand identity considering the brand as a product.

- **Product scope:** the association of a brand with regards to its product class. A brand will be much more recalled if it has a strong link to a product class. For example, when the case of Kleenex was mentioned in the brand name dominance part (see page 41), it was clear that this brand has a strong linkage with the product

class "tissues". This means that when the word "tissue" is mentioned, it is likely that consumers think about the brand Kleenex (Aaker, 1996)

- **Product attributes:** the product attributes should be taken into account when building the brand identity. However, as it was previously mentioned, it is important to avoid the pitfall of seeing product attributes as the main focus of identity strategy building (Aaker, 1996)

- **Quality/value**: quality is a core identity element for many firms. Indeed, it is often used in slogans and other promotion strategies to boost the perceived quality of a brand. One example of this could be the well-known slogan of Gillette "the best a man can get" which link the associations of the consumers to quality. Value is related to this as it is the quality plus the price dimension (Aaker, 1996)

- **Uses**: consumers also make associations based on the use they give to the product itself. For example, Gatorade is known for being a beverage for the sports world so consumers who do not exercise may not buy it as frequently. It is therefore important to consider the use the company wants to emphasize, and what the consumers actually use it for improving the brand identity (Aaker, 1996)

- **Users**: associations with specific users is also remarkable and should be considered in brand identity building. As an example, used by Aaker, Gerber is a brand always linked with babies (Aaker, 1996)

- **Country of origin:** the "made-in" effect is another aspect which is often regarded by organizations. In fact, some brands create its name based on the country of origin. It is necessary to be careful and take into account the associations consumers have over different countries and products when building the brand identity. For example, French and Italian names are adequate for clothing and perfume brands as they are regarded as of a higher quality (Aaker, 1996)

3.3.5.2. Brand as an organization

This dimension is increasingly important for both consumers and companies. For consumers, it provides emotional benefits based on their esteem for a brand they can link with innovation, environmentally friendliness, or social inclusion, to name a few. For companies, having a strong organizational foundation means that they increase its competitive advantage over other brands. This occurs because, unlike product-related attributes, organizational attributes are difficult to copy. As Aaker clarified: "it is relatively easy to show that one's printer is faster than the competitor; it is hard to show that one's organization is more innovative" (Aaker, 1996).

Notwithstanding the foregoing, brands can be focused on their organizational attributes or not, it really depends on what the goals of the company are. For example, M&M's identity strategy is based on its product attributes whilst for others, the organizational attributes are part of their core identity and their way of earning the respect of customers. (Aaker, 1996). One example is Ben & Jerry's, whose Corporate Social Responsibility (CSR) measures are a key component of the brand. Some of the measures included in their CSR manifesto are the use of Fair-Trade ingredients, the creation of community-based projects, and corporate philanthropy (Ben & Jerry's, n.d.).

3.3.5.3.Brand as a person

Pepsi is seen as a young brand, Harley Davidson as a rugged one, and Tiffany's has been always related with sophisticated people. The way brands are related to different personalities integrates another dimension of Aaker's concept of brand identity. The personal traits a consumer link to specific brands are powerful because they are both distinctive and enduring. This way, Nike is related to athletic people and this characteristic is so deeply-rooted in many societies, that makes Nike a stronger brand over others (Aaker, 1996).

Indeed, in his book *Building Strong Brands* Aaker mentioned three ways in which brand personality strengthen brand equity; the first one is, precisely, that expressing a personality through a brand helps creating stronger brands (Aaker, 1996). The second says that personality traits are the basis of a relationship with the client and, lastly, they are a means of better communicating attributes to customers.

Sponsorships are especially important in this dimension because they influence and create personality traits. Continuing with the example of Nike, the presence of Michael Jordan for several years in Nike's promotion channels has helped the brand to build its current personality. Connecting people to brands is a way of making customers better connect to them. Thus, creating a correct brand personality will strengthen brand identity and more generally improve brand equity (Aaker, 1996).

3.3.5.4.Brand as a symbol

Lastly, a brand can be associated with a symbol which provides cohesion and structure to a brand's identity (Aaker, 1996). The most important symbols are:

- Visual imagery
- Metaphors
- Brand heritage

The three of them are equally important to link a brand with a specific symbol. The most used may be the visual imagery (McDonald's golden arches are known worldwide) but metaphors such as the energizer bunny for long battery life are also used (Aaker, 1996).

3.4. KELLER'S CBBE AND RELATIONSHIP TO OTHER MODELS

The Customer-Based Brand Equity Model developed by K. L. Keller it is, as it was mentioned before, another approach of the concepts previously explained. This model complements the one of Aaker, reinforcing some points and highlighting others.

The CBBE model is based on four steps dependent upon one another. This means that only when the goals of one step are accomplished, the next step can be addressed (Keller, 2001). The four steps are represented in the pyramid below:

Figure 3.2.- CBBE Pyramid

Source: Keller (2001)

3.4.1. Brand identity

The first step is to create brand salience. Improving the importance of a brand is achieved through brand awareness, one of the previously explained pillars in Aaker's model. Thus, customers' mind will connect the brand in a specific product class or customer need, which is essential towards achieving the next level of the pyramid (Keller, 2001). As it was explained, Keller differentiates between the depth and the breadth of the brand awareness, both important to create brand salience.

3.4.2. Brand meaning

The purpose of this step it to establish a strong brand image. Brand associations are therefore the key aspect of image building. These associations can be evaluated from two different points of view or categories: intrinsic or tangible considerations and extrinsic or intangible considerations. On the one hand, tangible associations are based on the product attributes, there correspond to a functional approach, linked with the performance of the product. On the other hand, the intangible ones are related to the abstract perceptions of the consumers. In other words, their imaginary-related considerations. Examples of these can be the personality and values the brands transmit, in correlation with some of the dimensions the brand identity of Aaker's model highlighted (Keller, 2001).

3.4.3. Brand responses

After the meaning of the brand is adopted, the next step is to evoke the proper brand responses to the Brand Meaning and the Brand Identity. This is achieved when the two kinds of responses are analysed. Judgements and brand feelings arise here. Judgements are the brand responses linked with personal opinions, whilst brand feelings are, as the name indicates, the emotional responses a customer has. Examples of judgements are the quality perception of a customer, or the credibility the brand has; on the contrary, feelings are security, self-respect, and social approval, to name a few. As a result, both types of responses have to be studied and the brand should evoke the proper ones (Keller, 2001).

3.4.4. Brand relationships

Lastly, the pinnacle of the pyramid is the brand resonance. That is, in the words of Keller: "the extent to which they feel that they are "in synch" with the brand". This concept is closely related to the brand loyalty explained by Aaker (because a brand whose bonds with customers are really strong has a high level of brand loyalty). Nevertheless, Keller distinguishes the intensity of the bonds created, and the level of activity the frequent customers have. In other words, how many times does a customer repeat a purchase. The final goal is to have a harmonised relationship between the customers and the brand (Keller, 2001).

4. GREEN BRANDS AND ECOLABELS

As noted above, due to the enormous repercussions it has, improving the brand equity (BE) is a core point of the marketing strategy in every company nowadays. Furthermore, sustainability is increasingly important at all levels, and companies are becoming more and more aware of that.

Apart from that, ecological practices in businesses are deemed as a crucial element towards meeting the SDGs. Therefore, stringent laws and regulations have been put in place, as we could see prior in this document. The growth in environmental responsibility consciousness also led manufacturers to produce more environmentally friendly products (Chen, 2010). Environmental, ethical and social responsibility perceptions of more people increase consistently. More and more people want to know where their products came from, especially when it comes to the agri-food sector (Schmid O. et al., 2008).

All these factors contribute to the introduction of "greener" products. Nevertheless, scepticism towards green attributes (also encouraged by greenwashing practices) are an important problem for companies that want to increase their green brand equity (GBE) (Fong Ng, Butt, Khong , & Ong, 2013).

Thus, the concept of "green marketing" has quickly emerged among companies and the search for creating not only a brand equity but rather a green brand equity is now more popular than ever before (Chen, 2010).

4.1. GREEN MARKETING: DEFINITION AND CHALLENGES

The AMA defines the concept of "green marketing" as the marketing of products expected to be environmentally safe; in other words, "green products". This entails different kinds of changes to diminish the environmental hazards caused in the various stages of the production chain (Yan & Yazdanifard, 2014). This holistic approach, if well implemented, provide advantages over other companies. For example, green products are better adapted to the environmental pressures, which is an important point due to the current environmental legislation. Thus, green practices prevent organisations from ecological penalties and protests. Furthermore, green products are seen as more reliable

than others because of the product values they reflect (Chen, 2010). Another advantage to adapt the green marketing conception is that, generally, consumers agree to pay more for these products (Chen, 2010). Nevertheless, green marketing faces several challenges:

1. **Ecological benefits are not as tangible as others**: this means that, for consumers, ecological advantages seem distant in the scale of human needs (Calomarde, 2000). It is therefore necessary to make consumers more concerned of the current environmental problems and to guide them towards the advantages of buying "green"

2. **Most developed countries are very used to polluting consumption**: although it is indeed an increasing market, the organic or ecological consumption is a recent trend. For this reason, the vast majority of the population is still very much used to buy without thinking about the environmental consequences they may exist. Therefore, strong behavioural changes must be ensured and, for doing so, raising awareness of environmental problems is key (Calomarde, 2000)

3. **Low brand awareness**: linked with the previous ones, there is not a huge rate of awareness when considering green products. Broadly speaking, as it was already explained, brand awareness is extremely important for every company nowadays. It is indeed the foundation of Keller's pyramid (see page 47) and one of the major pillars of how to build a strong brand equity for Aaker (see page 41). The problem to tackle here is the low rate of awareness in green products which will imply promotion of green products focusing on this lack of awareness

4. **Lack of knowledge on the topic**: also related to the other points and due to the fact that this is a recent trend, companies have not experience on marketing green products. This lack of knowledge implies huge investments in research and development of green technology, which may not be the most suitable option for every business (Chen, 2010)

The origin and main challenges of this new marketing approach affect the way it has to be implemented in business. Strategies for creating and developing a strong brand equity (BE) differ from the traditional ones. Thus, it is necessary to distinguish the green brand equity (GBE) and its attributes from the general ones previously explained.

4.2. GREEN BRAND EQUITY

The GBE is considered one of the most important parts for the green marketing, just like the brand equity for traditional marketing departments. Firms create a brand equity by strengthening their images and gaining a different position on the minds of consumers. (Chen, 2010). Taking into account the different values the ecological products offer, building a GBE focuses more on the environmental considerations the customer has in order to design their lines of action.

GBE is defined as the "set of brand assets and liabilities about green commitments and environmental concerns linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service" (Chen, 2010).
In this case, the GBE has not been as studied as the BE previously explained. Therefore, there are not complex models about how the GBE functions and how to enhance it. Literature did not provide sufficient information in this field. Nonetheless, there are several concepts closely linked with the green brand equity which serve as a guidance for better understanding of the topic:

4.2.1. Green Brand Image

Green brands are and emerging field in marketing due to this era of environmentalism. Therefore, brand image, which has been studied with regard to very different approaches, is now considered as a means of improving the green value of a brand (Hussain & Waheed, 2016).

Green Brand Image (GBI) is defined as "a mental setup of a customer developed on the basis of selected impressions, ideas, beliefs, and perceptions regarding eco-friendly attributes and functions of the brand" (Hussain & Waheed, 2016). Based on this definition, GBI is related with the brand associations previously explained (see page 42). Reason for this, is that the GBI is created depending on perceptions customers have. In

other words, the associations they develop regarding the characteristics of the product. In this case, the degree of environmentally friendliness they link with the product.

Consequently, companies have to be extremely careful when creating a GBI. Products should be clearly linked with the values the company want to reflect. Delivering a correct message is of the utmost importance to minimise misunderstandings and confusions (Chen, 2010).

Moreover, it is interesting to highlight that the next concepts depend on the GBI. Several studies have shown that having a positive brand image results in a customer more satisfied who trusts the brand he or she has chosen (Chen, 2010).

4.2.2. Green Satisfaction

It is said that consumers have an optimal "green satisfaction" when their environmental desires and green needs are met (Chen, 2010). Consumer satisfaction is an important factor to consider, as it affects repurchase intention and, in a long-run, also brand trust. In fact, these two factors are closely related. Several studies have shown that the higher the satisfaction and the trust of the brand, the more value the brand achieves (Chen, 2010). Therefore, it can be concluded that green satisfaction is, as well as green trust, an important contributor to the GBE.

4.2.3. Green Trust

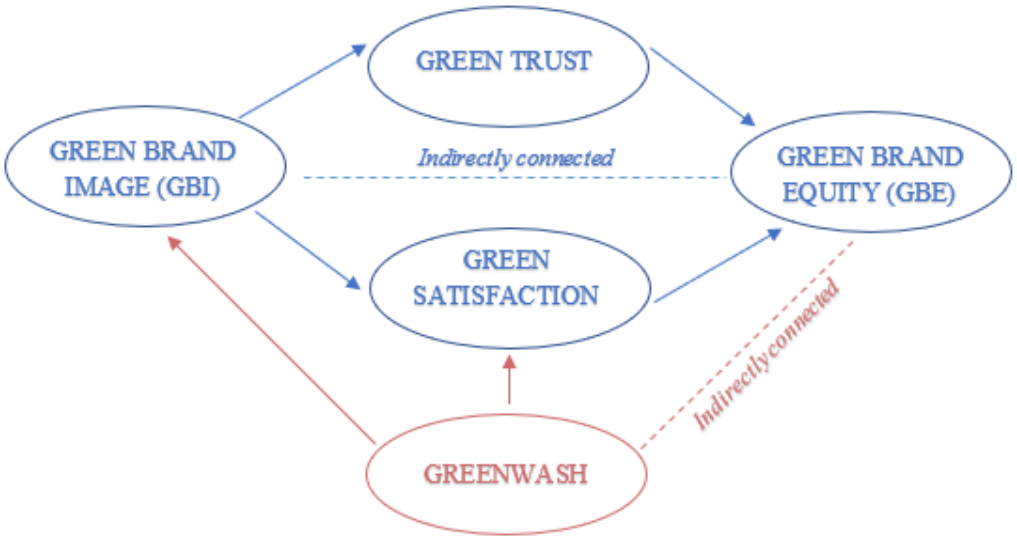
> "Green brand trust means relying on the trustworthy of a good or a service regarding environmental performance. It is possible to enable consumers to trust green brand if the brands stay away from green promises being misunderstood and if they promote the green products without exaggerating their environmental features" (Chen, 2010).

In other words, green trust measures the reliability of a brand regarding its sustainable performance. If a brand is reliable, then the satisfaction will increase, the image of the brand will be enhanced and its value will be strengthened. This means that green trust directly affects GBE in a positive manner. The higher the green trust, the better the GBE. Trust can also be linked to the explained concept of brand loyalty. Customers who trust a

specific brand are more likely to buy it on a regular basis. Indeed, trust is one of the main factors that cause brand loyalty.

According to the above mentioned, companies should put effort into the improvement of their GBI, but the associations they want to create in the customers' minds should be accurate. This means that no exaggerations or false promises can be implemented if they want to be truly reliable.

Figure 4.1.- Relationship of GBE-related concepts



Source: Chen, Tien, Lee, & Tsai (2017) and Chen (2010)

Lastly, the figure above serves as a guide of the main conclusions taken from the study of the concepts related to GBE. In this scheme, which is an own formulation based on two different studies Chen, Tien, Lee, & Tsai (2017) and Chen (2010) it is clearly shown the relationship of the different elements explained: a positive GBI increases both the satisfaction and the trust worth of a green brand. Similarly, green satisfaction and green trust are drivers of GBE. In short, a positive GBI will indirectly strengthen the GBE, making customers more loyal and satisfied with the brand.

Another concept arises here in the figure, the greenwash or greenwashing. Due to its utmost importance in recent times, this term has to be analysed in another section to fully understand its meaning and its implications.

4.3. GREENWASHING

It is known by everyone that a trend becomes sufficiently important at the moment it starts being counterfeit or imitated. This is the reason why, also in the case of ecological products, malpractices such as greenwashing have been increasing the last years misleading thus the whole customers' perception with respect the true green products.

Therefore, greenwash or greenwashing is defined as "green marketing or advertising that cheats consumers about the environmental features of products" (Chen, Tien, Lee, & Tsai, 2017). Greenwashing is indeed a risky technique which jeopardises the whole trust consumers have regarding green products. In fact, it is proved by several studies that greenwashing diminishes GBI and green satisfaction (see figure below). Due to the relationship these two concepts have with regards to GBE, it is obvious that greenwashing practices undermine GBE (Chen, Tien, Lee, & Tsai, 2017).

Nonetheless, greenwashing is growing in used because firms want to make people think they are more environmentally friendly at all costs. This way, they could profit from the advantages previously noted of green products (see page 49-50). Enhancing their brand images and improving customer satisfaction are some of the main reasons why companies are adopting greenwashing practices (Chen, 2010).

Nonetheless, several studies have showed that greenwashing decisions lead to a lower brand equity (Chen, 2010). Consequently, reducing the greenwash behaviour should be a priority for every firm because it will result in a stronger green brand equity for them, as it will be demonstrated in the pages that follow (Chen, Tien, Lee, & Tsai, 2017).

Besides, reducing greenwashing in a general way will lead to a better appreciation of customers towards the environmentally friendliness of the products offered. As it will be shown later on, scepticism towards the green claims of the companies is one of the major problems green products are facing.

4.3.1. Greenwashing effects on brands

This study hereby presented was conducted in 2010 by the Universities of Paris and Paris Dauphine with the approval of ADEME (*Agence de l'environnement et de la maitrise de*

l'énergie) and the ARPP (*Autorité de Régulation Professionnelle de la Publicité*). (Benoît-Moreau, Parguel, & Larceneux , 2012).

The aim of this experiment was to show the influence of different advertising elements on the green perception of a specific brand. For doing so, the authors studied the greenwashing practices and applied them to a fictional product (Benoît-Moreau, Parguel, & Larceneux , 2012).

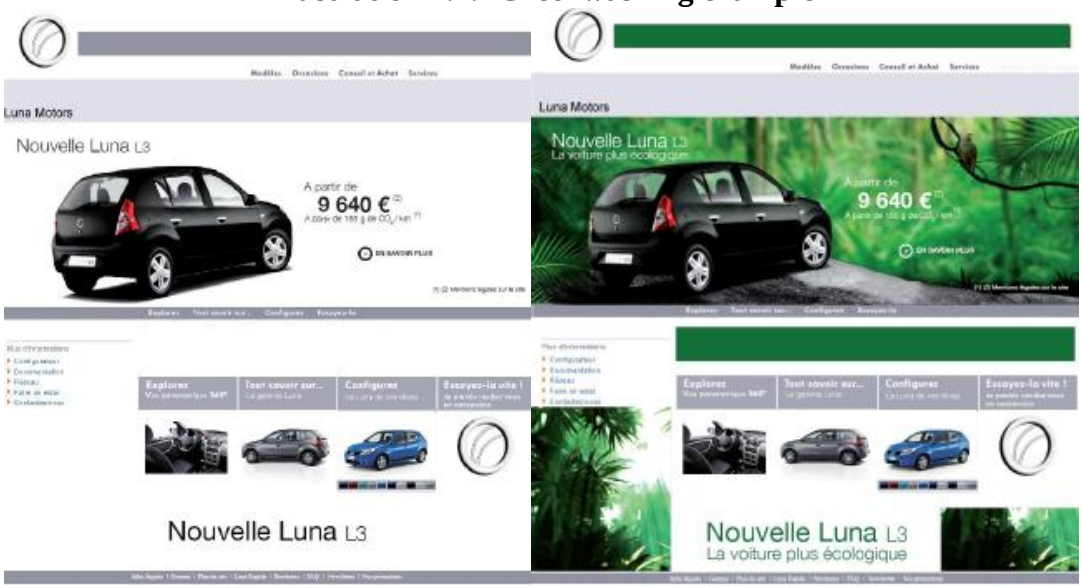
First of all, it is necessary to note that in the experiment two different kinds of elements were considered: substantive and associative indicators:

- Substantive elements: tangible indicators, concrete and provable data which makes reference to the intrinsic quality of products. They are based on the communication of the "a priori" ecological advantages of the product. Examples of these are: ecolabels or organic warranty labels, and content such as "natural" or "more ecologic" which can be proved (Benoît-Moreau, Parguel, & Larceneux , 2012)

- Associative elements: intangible or subtler elements. They are indicators which evoke a feeling (in this case of nature and ecology). It can be done through images, sounds, smells, etcetera (Benoît-Moreau, Parguel, & Larceneux , 2012)

In order to conduct the experiment, the authors created a webpage to launch a fictional car where they included fake characteristics.

Illustration 4.1.- Greenwashing example



Source: Benoît-Moreau, Larceneux & Parguel (2010)

Apart from this, they included both types of indicators previously explained. On the one hand, the substantive element used in this experiment is the sentence: "the most ecological car" (showed in the illustration on the right as "*La voiture la plus écologique*"). On the other hand, the associative elements taken into account were the green fond and a bird sound every time a customer entered the webpage (Benoît-Moreau, Parguel, & Larceneux , 2012).

The results of the experiment showed that consumers do not trust this kind of tactics easily. In fact, the associative elements (in this case the green image and the sound of birds) undermined the brand image of the car. On the contrary, the substantive element represented here as the sentence "the most ecological car", presented a positive effect in general. Reason for this, as the authors explained, is because of the ambiguity of the sentence (Benoît-Moreau, Parguel, & Larceneux , 2012).

In fact, one of the major findings of this study is that regulating greenwashing practices is challenging because of the ambiguity they frequently have. The study also presented objective information such as the CO2 emissions of the car. Nevertheless, 48% of respondents forgot about them when asked; yet the ecological perception of consumers increased with the substantive element (Benoît-Moreau, Parguel, & Larceneux , 2012).

In order to tackle the greenwashing problem, companies have begun to consider the importance of labelling, as it increases brand loyalty and trust.

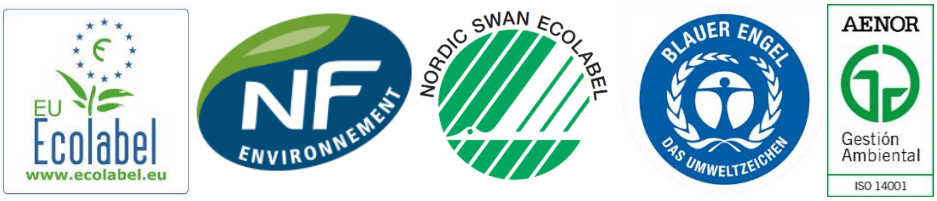
4.4. ECOLABELS

Ecolabels are the most trustworthy source for consumers. Taking the study of the greenwashing effect previously mentioned, the results showed that consumers have a low trust regarding ecological advertising; yet they do trust in labels (3% vs. 59% labels) (Benoît-Moreau, Parguel, & Larceneux , 2012).

Since 1992 there is a European ecolabel, the so-called "Flower", which serves as the official certification for environmentally-friendly products across Europe (ADEME, 2019). Products with the EU Ecolabel meet several environmental standards throughout its life-cycle (EU Environment, 2019b). The aim here is to promote green products by raising brand trust and awareness. Among all of the characteristics of this ecolabel it should be mentioned that it is a voluntary label, it is controlled by a certification process which meets the requirements of the ISO 10424, and the criteria for this ecolabel is stablished by an independent organism which does not interfere in the market (Ministerio para la Transición Ecológica, n.d.).

It is noteworthy that both sustainable and performance criteria have to be met in order to get labelled. This is, products with the EU Ecolabel have to be at least as efficient as a traditional one (Notre Planète, 2018). (The EU Ecolabel is shown in the figure below, the first on the left)

Illustration 4.2.- Examples of ecolabels



Source: Ecolabel Index (2019)

There exists a broad variety of ecolabels. In fact, the ecolabel index gathers 463 different labels (ECOLABEL INDEX, 2019). Reason for this is the wide application scope of ecolabels. In first place, there are labels equivalent to the EU Ecolabel but a national level. In the figure above, some of the most important ones are presented.

Starting from left to right, NF Environment is the voluntary label for ecological products in France. Introduced one year before the European one (that is, in 1991) functions in a similar way that the EU Ecolabel (Notre Planète, 2018). According to ADEME, pharmaceutical and agri-food products, as well as services and the automobile sector are excluded from this certification (Notre Planète, 2018).

In line with the previous one, the Swan is the official Nordic Ecolabel, created in 1989 by the Nordic Council of Ministers. In this case, 60 different product groups can be labelled. The Council specifies that "everything from washing-up liquid to furniture and hotels can carry the Swan label" (Joutsenmerkki, n.d.). As well as the previous, the criteria the products have to follow is methodically revised. Moreover, the Nordic Council indicates that the "Swan" is usually valid for three years. After that, companies need to apply for a new license (Joutsenmerkki, n.d.).

In the same vein, the Blue Angel is the certification of the federal government of Germany. It is one of the oldest ecolabels, being in functioning since 1978 (Blauer Engel, n.d.). Over 12,000 products from around 1,500 companies are labelled with the Blue Angel in Germany (Blauer Engel, 2018). And the revision in this case is made every three to four years by the Federal Environmental Agency.

> "More and more people are mindful of purchasing products that are durable and environmentally friendly, which is precisely what the Blue Angel stands for. For 40 years, the eco-label has guaranteed high standards for the protection of our environment and health - independently and credibly." - Svenja Schulze, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety
> (Blauer Engel, 2018).

Lastly, in Spain there is not an official ecolabel similar to the previous ones. Nonetheless, a certification company named AENOR is the most important organisation in charge of certifying the quality of products in this country. Even if the main purpose is not to label ecological practices, the Rio Convention of 1992 marked a turning point for this company. Due to the outputs of the Summit, AENOR became increasingly linked with the environmental certification. In this case, the certification (but not exactly ecolabel) it is implemented in products that meet the criteria gathered in the ISO 14001 (AENOR, 2018).

Similarly, to the general ecolabels there is a European ecolabel specific to the agricultural sector. Likewise, different countries have adopted their national labels. Nevertheless, the most important one it the European organic logo which has been applied to ecological products since 2010 (Notre Planète, 2018).

Illustration 4 3.- EU organic logo

Source: European Commission (n.d.)

Unlike the others, the organic label is compulsory for all pre-packaged EU food products which are organic and sold within the EU (European Commission, n.d.2). This label is optional for the other organic products but it cannot be used if the product contains less than 95 percent of organic ingredients. The European Commission also excludes mass catering operations i.e. restaurants or hospitals, and products not in the scope of organic rules or not yet fully studied (European Commission, n.d.2).

5. THE ORGANIC PRODUCT MARKET ACROSS EUROPE

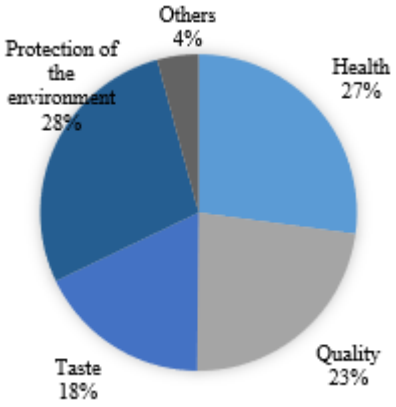
5.1. INTRODUCTION AND GENERAL ANALISYS

Now, most of the concepts previously explained in the theoretical part will be analysed in a more practical manner. For doing so, a survey about organic products consumption has been conducted.

First and foremost, it is necessary to thoughtfully describe the sample chosen for launching the survey. 123 respondents of four different countries of origin were considered. These four nationalities: Finnish, French, German, and Spanish, provided a deeply understanding on the cultural differences with regards of the organic products. It is noteworthy that there is a slight imbalance on the interviewees because of the high rate of participation from Finland (as it can be seen in the sample chart, 35.8 percent of respondents are Finnish). Nonetheless, this bias has been considered when creating the tables and figures that will be analysed in this chapter.

Table 5.1.- Summary chart of the survey description

GENDER	59.3% Female	40.7% Male		
NATIONALITY	35.8% Finnish	20.3% French	23.6% German	20.3% Spanish
LEVEL OF EDUCATION	8.9% High school	54.3% Bachelor's	35.8% Master's	0.8% Doctorate
PURCHASE FREQUENCY	27.6% More than once a week	30.9% Once a week	13% 2-3 times per week	22% Once a month or less



Source: own formulation

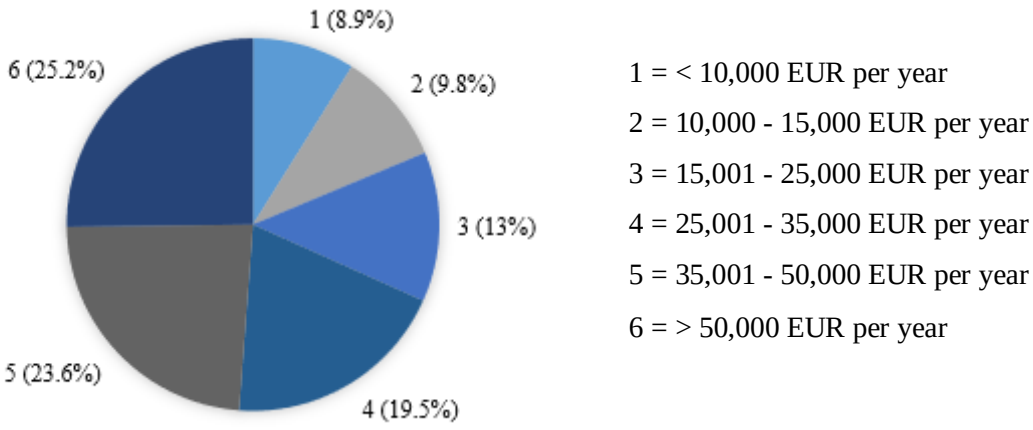
Here, in the summary chart on the left it can be seen that the majority of the respondents are woman. Apart from the difference in the nationalities, it can also be noticed that the vast majority of the people who answered the survey are students (enrolled in a bachelor's degree or in a master's degree). It is also important that the purchase frequency is in general quite high. More than half percent of the respondents buy organic products at least once a week.

Apart from this, the drivers for buying organic products are repeated frequently. As it can be seen in the graphic on the right, consumers tend to buy organic products for

environmental and health reasons. Quality of these products is also a major factor to boost the purchase frequency. Likewise, with an 18 percent, the taste of the products is another reason for buying organic products, according to the interviewees. Besides, a couple of consumers added that supporting local farmers and producers is another factor which guide them towards the option of greener products.

In the "general questions" section of the survey other personal questions has been asked regarding the members of the families and their purchasing power. With this data it is important to highlight that, in average, the respondents have a quite high-income level (see graphic 9.1.1.). This can be link to their purchase frequency because at the present moment organic products are seen as luxury products for the vast majority of countries.

Graphic 5.1.- Income level of the family



Source: Own formulation

This means that only if consumers have a high purchase power, they will buy these products on a weekly or even daily basis. Furthermore, and related with the previous graphic, it should be specified that the number of family members is, on average, of three to five people (based on another question of the "general questions" section). This means that, even if the purchasing power of the family in total is not as low as expected, is not especially high either. Is therefore neither too high, nor too low.

Apart from that, there should be obvious differences among countries because the living standards of these European countries differ substantially. Nevertheless, this data has been analysed in a general manner because this survey is not focused on the differences

of the living standards and its implications on the organic product consumption. Indeed, and as it will be noticed later on, the perception of the consumers in regards of the price is more or less the same. No matter which nationality the respondent has, the organic products are seen as luxury products.

Prior to the development of the data on a more thoughtful way, another two general questions were asked and should be mentioned and explained as a whole.

Respondents were asked to think about an organic food product and, only if they knew, a brand related to organic products. The results show that most of the people associate organic food to fruits and vegetables (especially apples and bananas). Dairy products are also often mentioned, together with eggs and coffee. Apart from that, it is interesting to note that only three people chose meat as their example of organic food product, all of them from Finland.

Another particularly curious fact is what it was already mentioned in the theoretical part (see page 34), more and more people tend to associate organic food with vegan or vegetarian options. Proof of this is that several people in the survey answered with food products such as plant-based milk, coconut oil, quinoa, açai, and oats. Although these products are not only used by vegans, they are indeed part of a vegan or vegetarian lifestyle.

Regarding the brands, only the 35.77 percent of the interviewees knew a brand related to organic food products. A first difference can be noted, though, because in the north of Europe (that is Germany and Finland in this case) there is more awareness of organic brands. The mentioned percentage raises to 47.77 percent if only Finns are considered, and 41.38 percent in the case of the Germans. On the other side, both Spanish and French people are less aware of the ecological brands in their countries because their percentages dropped to 24 and 20 percent, respectively.

The results of the "general questions" part already suggest some thinking patterns that will be repeated and thus confirmed later on this part. First of all, the participation of both Finnish and Germans was highest of the four groups (see table 9.1.1.: summary chart of

the survey description). This fact suggests a higher interest or knowledge in the topic. Another result which illustrates this first conclusion is the following:

When asked for examples of organic products, the northern countries differ between each other, whereas the southern ones tend to reply almost the same type of products and they use more general expressions such as "vegetables". Instead, Finnish and Germans tend to be more specific using "organic honey" or "organic eggs" as their examples. Moreover, as it was noted before, the variety of products can also be seen in the fact that Finns were the only ones who thought about meat as a possible example of an organic product. Broadly speaking, differences about the north and the south of Europe can be already noticed.

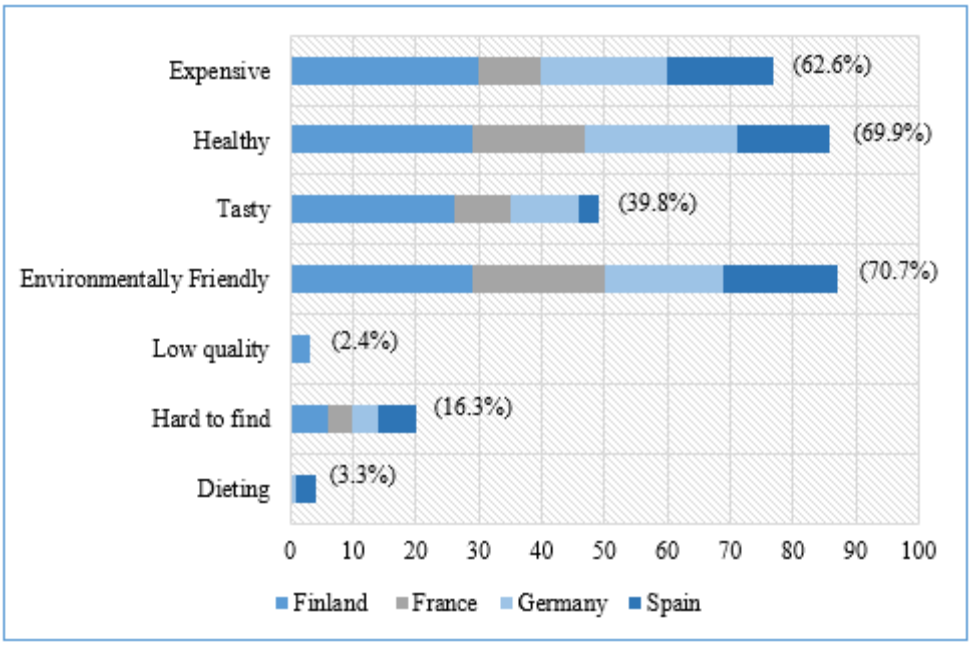
Nevertheless, the survey was more specific in order to fully analyse the perception of green brands in these four countries. For doing so, twelve different questions were asked, eleven of them measured in a Likert-type scale. These questions correspond to the four pillars of Aaker's Brand Equity Model (BEM):

- My first choice is always an organic food product
- Even if the price is a bit higher, I will keep considering to buy organic products
- I trust in the company that produces organic food products
- If I buy organic food products, I feel better with myself
- Organic food products have an attractive brand image
- I trust in the quality of organic food products
- The characteristics of organic food are better than the ones of traditional food
- Paying a higher price in organic food is fair enough because of the quality
- Some of the characteristics of organic food are easily noticeable
- An organic food product can be quickly recognised
- I can differentiate between an organic product and an imitation of it

This last one makes reference to brand awareness (as it can be seen in the table below, where every question is classified attending the pillars previously mentioned). Nevertheless, it will be also analysed as the influence of the greenwashing effect on consumers. Lastly, the twelfth question (part of the brand associations block) does not

follow the Likert-type scale but rather a broader approach. Respondents were asked to associate "organic products" to the following traits:

Graphic 5.1.- Organic product associations I



Source: Own formulation

Despite the fact that a more detail approach will be analysed later on, it is interesting to highlight that, in a generalised manner, consumers chose three positive associations (healthy, tasty, and environmentally friendly) and only one negative association was point out (the already mentioned high-price of these products). Now, and taking into account the data gathered in these twelve questions, the situation of each country will be presented and analysed. All the data of the Likert-type scale questions is presented in the following table[7]:

[7] Note: the cells above average are filled in blue in order to better differentiate the data.

Table 5.1.- Questions related to Aaker's BEM

		BRAND LOYALTY			BRAND ASSOCIATIONS		BRAND QUALITY			BRAND AWARENESS		
	QUESTIONS / COUNTRY & VARIABLES	My **first choice** is always an organic food product	Even if the **price** is a bit **higher**, I will keep considering to buy organic	I **trust** in the **company** that produces organic food products	If I buy organic food products, **I feel better** with myself	Organic food products have an **attractive brand image**	I **trust** in the **quality** of organic food products	The **characteristics** of organic food **are better** than the ones of traditional food	Paying a **higher price** in organic food is fair enough because of the **quality**	Some of the **characteristics** of organic food are **easily noticeable**	An organic food product can be **quickly recognised**	I can **differentiate** between an organic product and an **imitation** of it
FINLAND	N	44	44	44	44	44	44	44	44	44	44	44
	Average*	3.273	3.636	3.727	3.659	3.545	**3.886**	3.364	3.273	3.295	3.114	3
	Standard Deviation	**1.1687**	**1.2217**	0.727	0.9631	0.8199	0.9205	0.9173	**1.1884**	0.8513	0.8948	**1.0116**
FRANCE	N	25	25	25	25	25	25	25	25	25	25	25
	Average*	3	3.48	3.36	3.72	**3.92**	3.68	3.84	3.8	3.6	3.2	2.8
	Standard Deviation	0.9129	0.9183	0.995	0.6137	0.9092	0.9883	0.8505	0.8165	0.5774	**1.0408**	**1.0801**
GERMANY	N	29	29	29	29	29	29	29	29	29	29	29
	Average*	3.379	3.586	3.621	**3.828**	3.759	3.793	3.69	3.517	3.034	3.241	2.448
	Standard Deviation	0.82	0.9456	0.9416	0.8048	0.8305	0.7736	0.8064	0.9111	0.7784	**1.0575**	0.9482
SPAIN	N	25	25	25	25	25	25	25	25	25	25	25
	Average*	2.8	2.96	3.48	3.36	3.72	**3.96**	3.2	3.04	3.04	3.44	2.6
	Standard Deviation	0.9129	**1.0985**	0.8718	**1.2871**	0.8907	0.7348	**1.118**	0.7895	**1.0599**	0.9165	**1.2583**

Source: Own formulation

***Considering that:** 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree

5.2. BRAND LOYALTY COMPARISON

Graphic 5.3.- Brand loyalty regarding organic products

Source: Own formulation

Brand loyalty is one of the major keystones of Aaker's BEM, as it was discussed in the preceding sections (see page 39). In order to measure it, the questions demanded were: "my first choice is always an organic food product"; "even if the price is a bit higher, I will keep considering to buy organic products"; "I trust in the company that produces organic food products."

Here it can be noticed that Finland and Germany are the most loyal to organic products. Nonetheless, the first choice is not, broadly speaking, the ecological one. This can be seen in the table 9.1.2. above, in which the average of responses tends to be "neutral". In other words, respondents do not usually purchase these products in the first place, but the ones who do it in a more frequent rate are the Finnish and the Germans. On the contrary, Spanish people are the less loyal to organic products. Even if they rely more that French respondents on the companies that produce these kinds of products, they do not tend to buy them as frequently as the other nationalities (see Spanish average in the questions of the "Brand loyalty block").

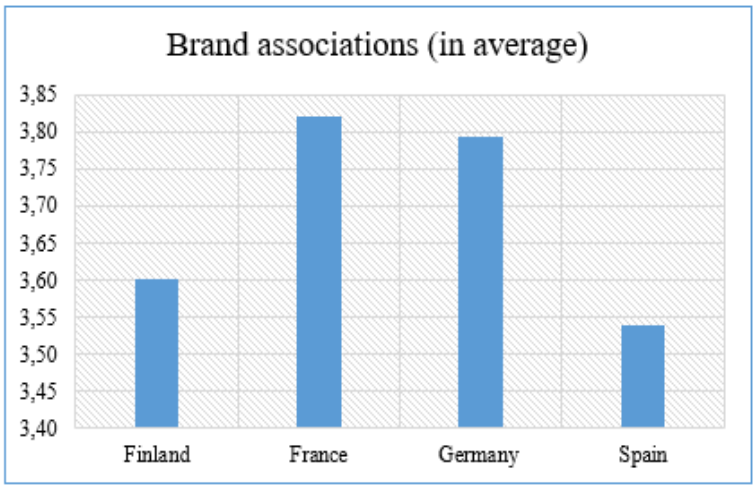
It is also noteworthy that Finnish respondents have a quite high deviation in this section. This indicates that there are significative differences between Finns with regards to the two first questions. Same situation occurs to the Spanish interviewees in the second question (question named: even if the price is a bit higher, I will keep considering to

buy organic products). In this case, 28 percent of the Spanish respondents answered "agree", but there is a high deviation due to the 48 percent who answered "disagree". The deviation it is interesting to see if the average of the country shares the same opinion or not. Regarding loyalty, it can be concluded that both Finnish and Spanish people have internal differences about the questions posed, whereas Germans and French agree in most of the cases.

5.3. BRAND ASSOCIATIONS COMPARISON

In this case, two different kinds of questions have been asked to measure the brand associations of organic products. On the one hand, the questions: "If I buy organic food products, I feel better with myself"; and, "Organic food products have an attractive brand image" were asked to see the general image consumers have with respect organic products. On the other hand, a question for linking organic products with some positive and negative traits was demanded to see in a more detailed way their perceptions of these type of products.

Graphic 5.4- Brand associations regarding organic products



Source: Own formulation

As it can be seen in the graphic below, which only covers the two questions mentioned, France and Germany lead this section. More specifically, France is the country which has the best perception of green brand image. In other words, French people consider in a generalised way (because the deviation is low in both answers) that organic products have an attractive brand image and purchasing them make them feel better with

themselves. On the other side, Spanish people are the sole group that do not necessarily feel better when buying these kinds of products.[8]

Table 5.3.- Organic product associations II

	Finland	**France**	**Germany**	**Spain**
DIETING	0.0%	0.0%	3.4%	12.0%
HARD TO FIND	13.6%	16.0%	13.8%	24.0%
LOW QUALITY	6.8%	0.0%	0.0%	0.0%
ENVIRONMENTALLY FRIENDLY	65.9%	**84.0%**	65.5%	**72.0%**
TASTY	59.1%	36.0%	37.9%	12.0%
HEALTHY	65.9%	72.0%	**82.8%**	60.0%
EXPENSIVE	**68.2%**	40.0%	69.0%	68.0%

Source: Own formulation

The table above provides more information of the consumers' perception and it is based on the same data gathered in the Graphic X: Associations with organic products I (see page 64). Here, it can be seen the most important attributes for each country. As mentioned before, environmental friendliness is the most repeated trait among the respondents followed by "healthy". Apart from these two, it is remarkable the considerable number of people who labelled organic products as "expensive". Only in France the percentage does not exceed the 68 percent of the rest. This troubling indicator should be taken into account because is the sole negative association of organic products found in this survey[9].

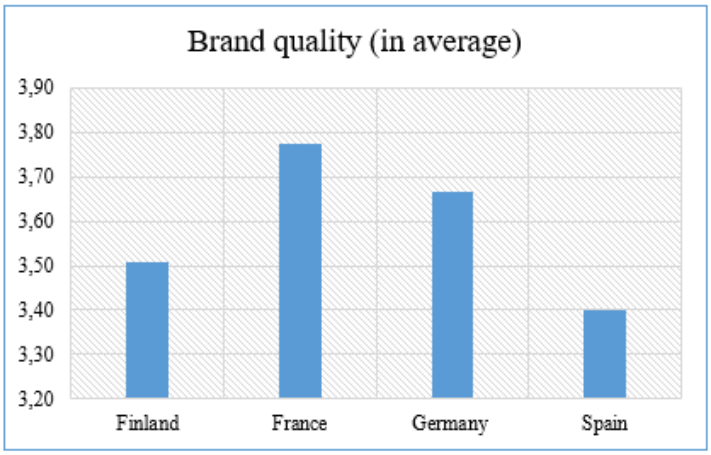
5.4. BRAND QUALITY COMPARISON

The next block to describe is the brand quality. For this part the three questions were: "I trust in the quality of organic food products"; "The characteristics of organic food are better than the ones of traditional food"; and, "Paying a higher price in organic food is fair enough because of the quality."

[8] In this case the deviation is also remarkable as 20 percent of the Spanish respondents "strongly agree" with the statement but another 24 percent either "strongly disagree" or "disagree".

9 "Low quality" is not especially relevant because only a few Finnish are sceptical with the quality. In general, as it has been shown in the drivers of purchasing organic products, a 23 percent of the respondents specified the quality as the factor which leads them to buy organic.

Graphic 5.5.- Brand quality regarding organic products



Source: Own formulation

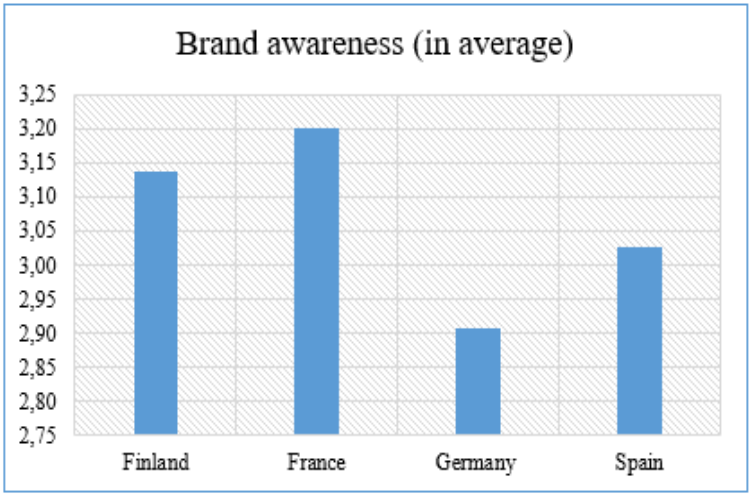
The previous result and the one regarding brand quality have its similarities because of the third question. France was the only country in which its respondents did not consider "expensive" one of the main traits of organic products. Not the vast majority of them. Here, this country has the highest average in brand quality perception. That is to say, French respondents believe that ecological products characteristics are better than the traditional ones, they trust its quality, and they consider that paying a higher price is fair enough because of the quality these products offer.

In general, Germany takes the same approach regarding quality-related questions. The difference comes from Finland and Spain, whose respondents do not value the quality of the products that much. Both countries agreed on the high quality of organic products. In fact, they have a higher average than Germany or even France with regards this question (see question "I trust in the quality of organic food products" in the Table X: Questions related to Aaker's BEM). Despite this answer, respondents in these countries are more sceptical towards the difference of quality (in comparison with traditional products). Moreover, quality does not justify the higher price of the products, in their opinion. Nevertheless, it should be noted that even if Finnish and Spanish respondents did not trust the organics' quality as much as the other two countries, the ratio is still positive in general. Seeing the full picture, both "brand associations" and "brand quality" blocks have reached results above average. In other words, even if cultural differences may appear, organic products are well regarded.

5.5. BRAND AWARENESS COMPARISON

Lastly, the differences and similarities when it comes to recognise organic products have to be mentioned. For doing so, these three last questions were asked: "Some of the characteristics of organic food are easily noticeable"; "an organic food product can be quickly recognised"; and, "I can differentiate between an organic product and an imitation of it."

Graphic 5.6.- Brand awareness regarding organic products



Source: Own formulation

First and foremost, it is necessary to highlight, as it can be seen in the vertical axis of the graphic, that brand awareness is the part of the BEM with the lowest ratio of all. This means that, even before considering the differences among countries, organic products are not as easily recognised as the traditional ones. Reason for this comes from the last question, the one referring to the differentiation of an imitation.

Prior to better explain the result of the last question, the cultural differences should be noted here, as it has been done in the previous sections. Here, France has again the lead. In this case, they are the ones who claim that recognising an organic product is not as difficult as it may seem. More precisely, they believe that some of the characteristics of organic products are easily recognised, whereas Spanish people claimed that recognising an ecological product is easier as a whole, not necessarily the characteristics of it. In any case, Finnish are more aware of the brand attributes of organic products than Spanish respondents. On the contrary, Germany drops here to the last position, due to their acknowledgement on the difficulties of differentiating an ecological product and

its imitation. (see Germans' results in the Table 9.1.2.: Questions related to Aaker's BEM).

Greenwashing, which has been previously explained, damages the image of green brands diminishing therefore its brand equity. Nevertheless, as it is a subtle technique it can go unnoticed by consumers all around the world. Due to this last question on brand awareness, it can be concluded that greenwashing leads to a higher scepticism among consumers which, in this case, entails misunderstandings and a lower awareness of the true organic products.

To conclude, the findings of the survey are thereby issued:

- The organic product market is an important trend as 58.5 percent of respondents buy organic products at least once a week

- France is the country which has the highest perception on green products: buying organic makes them feel better and they trust the quality these goods have. Furthermore, they do believe they can quickly recognise an organic product because their characteristics are easily noticeable

- Both Germany and Finland are the countries which have the highest number of loyal customers. Moreover, there are the ones who can recall organic products the most, as well as being more precise when answering about an organic brand they remembered. Nevertheless, Germans consider that organic food products have an attractive brand image to a greater extent. On the contrary, Finnish find easier to recognise an organic product whilst Germans are more sceptical

- Spanish people are the sole group that do not necessarily feel better when buying these kinds of products. Broadly speaking, and due to the data provided, it can be concluded that Spain is the country with the lowest interest in buying "green"

In short, the green products are gaining in importance, yet the differences across Europe are easily discernible.

CONCLUSIONS

Throughout the present work, the increasingly importance of organic products has become evident, as well as the necessity of drawing more attention to sustainable development on a global scope.

The growth in environmental responsibility consciousness has led to more stringent demands. Sustainable development has therefore become an overarching objective for a great number of governments and organisations. Thus, international and European regulation are increasing, as well as international summits, projects, and programmes focused on achieving a more sustainable future for us all.

A backbone for most of the legislation on sustainability is the agricultural and food sectors. Indeed, organic farming is regarded as a key player on sustainable development because of the implications it has worldwide. Through innovative regulation of ecological farming activities, natural resources depletion can be diminished, people will have more natural products, and a conspicuous level of sustainability can be reached.

Producing more environmentally friendly products is now regarded as a necessity, but companies have not yet studied this sector thoughtfully. Building a strong brand equity is the core strategy for most organisations because, from some years now, people do not buy products, they buy brands in which they can be reflected. This approach is really important because more and more people want to know where their products came from, especially when it comes to the agri-food sector. Therefore, the organic market has an enormous potential.

Studies on green brands as well as the results from the survey conducted for this work, have shown that consumers associate organic products to environmentally friendliness, healthier food, and more importantly, higher quality. Nevertheless, malpractices such as greenwashing induce misunderstandings and a lower trustfulness on green products. These facts have to be taken into account in order to build a stronger green brand equity, which will ultimately lead to a steeper increase of the organic product market.

All these concepts and data provided through the pages of this work are a means of communicating the urge of coming to grips with sustainable development for one and all. In order to do it, awareness of green products should be enhanced and greenwashing necessarily diminished.

Lastly, the document is to conclude with a personal statement:

The young environmentalist Greta Thunberg has once said that no one is too small to make a difference. I sincerely could not agree more with her words. Ensuring a better world for future generations is an obligation for us all. Now, more than ever before. Depletion of natural resources, Climate Change, and plastic waste are increasing problems we have to tackle now. We cannot wait any longer and see what happens next.

For doing so, responsible consumption is a must. Being aware of the different products we are choosing and the impact we are creating by buying them is essential. Organic products are becoming more and more popular, yet they represent a small part of the overall market. By choosing products that have been cultivated in a sustainable way, we are increasing the demand for organic products. Thus, organizations will try to be more sustainable and the supply of these products will also increase.

I do believe we can make a difference, no matter who we are. We, as consumers, have enough power to make things change and we have the moral duty of choosing better. At the end of the day, "the earth is what we all have in common", so we should all take care of it.

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MEMORIA EN ESPAÑOL DEL TRABAJO DE FIN DE GRADO

(EL VALOR DE MARCA ECOLÓGICO: CÓMO Y POR QUÉ ESTÁ CRECIENDO EL MERCADO DE PRODUCTOS ECOLÓGICOS EN LOS NEGOCIOS INTERNACIONALES)

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1.

La definición de desarrollo sostenible ha servido de referencia mundial desde su aparición en el Informe Brundtland de 1987. Así, se considera desarrollo sostenible a aquel que "satisface las necesidades del presente sin comprometer la capacidad de las generaciones futuras para satisfacer sus propias necesidades". Además de esta importante definición, el Informe Brundtland sienta las bases sobre las que se construirán las prácticas sostenibles, subrayando la necesidad de un consenso de las diferentes naciones sobre un marco estratégico establecido. Por lo tanto, durante las últimas décadas se han ido implementado diferentes regulaciones sobre el desarrollo sostenible para abordar el problema desde una perspectiva global. Muchas de ellas basadas en las propuestas de la Organización de las Naciones Unidas (ONU).

La primera Cumbre de la Tierra celebrada en Rio de Janeiro en 1992 marcó un antes y un después en el mundo del ecologismo. Pese a que no fue la primera conferencia de la ONU, (cronológicamente fue la tercera) sí fue la más importante hasta la fecha dado el número de asistentes y los temas tratados. Uno de los resultados más destacables de esta cumbre fue la creación de la Convención sobre el Cambio Climático (UNFCCC) de donde se desarrollarían posteriormente acuerdos internacionales como el Protocolo de Kyoto o el Acuerdo de París. Además, también se llevaron a cabo recomendaciones importantes de entre las que destaca la Agenda 21, el predecesor de uno de los acuerdos más importantes hasta la fecha, la Agenda 2030 para el Desarrollo Sostenible. En esta Agenda, que data de 2015, se desarrollan una serie de recomendaciones en materia medioambiental, así como los Objetivos para el Desarrollo Sostenible (o SDGs por sus siglas en inglés). Estos 17 objetivos acordados de manera internacional son la hoja de ruta sobre la que se basan todas las regulaciones y proyectos referidos al desarrollo sostenible actual.

Por su parte, la Unión Europea (UE) contempla una regulación adicional para tratar la problemática del desarrollo sostenible. Desde 1972 la legislación europea a nivel medioambiental ha evolucionado mucho y, actualmente, su marco regulador se encuentra clasificado en cinco secciones diferentes:

- Programas de Acción Medioambiental.
- Estrategias horizontales.
- Cooperación medioambiental internacional.

- Evaluación del impacto ambiental y participación pública.
- Implementación, cumplimiento y seguimiento.

Los Programas de Acción Medioambiental son la base sobre la que se definen los objetivos y las estrategias en materia medioambiental a nivel europeo. En estos momentos, el VII PMA es el programa de acción que guiará la política legislativa de la UE hasta 2020. Por otro lado, la UE propone estrategias horizontales y una colaboración internacional por la perspectiva global que tiene esta problemática. La evaluación constante de la situación e impacto medioambiental es otro de los pilares de la Comisión Europea. Para ello, un protocolo en evaluación estratégica medioambiental revisa los diferentes proyectos que se lleven a cabo en la UE. Además, existen numerosos proyectos que están especialmente diseñados para perfeccionar y mejorar las técnicas sostenibles, sobre todo en el sector agroalimentario. Finalmente, un seguimiento de las políticas medioambientales es necesario. Por eso, se realizan revisiones periódicas de todos los programas y legislaciones vigentes. Un ejemplo es la última actualización del mencionado VII PMA, realizado el 15 de mayo de este año 2019. Esta revisión especifica que, pese a que los programas constituyen una estrategia fundamental para la UE, se tiene que ajustar más a los últimos desafíos que la situación medioambiental presenta.

2.

La implementación de algunas normas internacionales sigue siendo complicada, y uno de los sectores en los que se han planteado más cuestiones sobre prácticas sostenibles es la industria agroalimentaria. No obstante, se ha avanzado mucho a lo largo de los últimos años. Este sector es tremendamente importante a la hora de cumplir los objetivos marcados por Naciones Unidas, los mencionados SDGs. La alimentación en un mundo cada vez más poblado y con unos recursos limitados hace que las prácticas sostenibles y la agricultura ecológica sean cada vez más importantes.

La Comisión Europea define a la agricultura ecológica como aquella que "favorece los sistemas del medio ambiente para controlar plagas y enfermedades en cultivos y ganado y evita el uso de pesticidas sintéticos, herbicidas, fertilizantes químicos, hormonas de crecimiento, antibióticos o manipulación de genes. En cambio, los agricultores orgánicos utilizan una gama de técnicas que ayudan a sostener los ecosistemas y reducir la contaminación."

La agricultura ecológica se introdujo por primera vez y de manera conceptual en 1924. Pese a ello, no fue hasta 1987 que un país (Dinamarca) implementó por primera vez un marco regulatorio para la agricultura ecológica. Cuatro años más tarde, Europa siguió el camino trazado por este país y estableció su primer reglamento, el (CEE) No 2092/1991.

Este reglamento se ha ido revisando paulatinamente hasta que el Parlamento Europeo publicó el año pasado la última ley sobre agricultura orgánica: el Reglamento UE 2018/848 del Parlamento Europeo y del Consejo, de 30 de mayo de 2018, sobre producción orgánica y etiquetado de productos orgánicos. Entrará en vigor el 1 de enero de 2021. Pero además de mencionar la regulación vigente, para explicar la situación actual del sector agroalimentario orgánico u ecológico es importante comprender las tendencias y los desafíos que se presentan en el mismo.

Un estudio de IFOAM de 2019 descubrió que en 2017 el 1,4 por ciento de las tierras agrícolas del mundo eran ecológicas. Ese año aumentaron en 11,7 millones de hectáreas, siendo el incremento más grande jamás registrado. Además, con un valor de 34,8 mil millones de euros y liderado por Alemania, el mercado europeo de alimentos ecológicos es el segundo más grande del mundo, solo precedido por Estados Unidos.

Cabe destacar que existen tendencias generales en el mercado de productos ecológicos. Por ejemplo, los huevos ecológicos alcanzan el 30 por ciento de cuota de mercado en muchos países de la UE, mientras que las bebidas y la carne ecológicas tienen cuotas de mercado bajas generalizadas. Esto se debe a la oferta con precios muy asequibles en el mercado tradicional y, en el caso de la carne, existe una tendencia perceptible a no comprar carne entre los consumidores de productos ecológicos. Por último, y a pesar de la situación óptima del sector, existen diversos problemas en cuanto al mercado de productos ecológicos. Los más destacados son los siguientes:

- **Gran número de estándares:** hay alrededor de 80 estándares nacionales para designar productos ecológicos y el número aumenta si se tienen en cuenta los estándares privados para la agricultura orgánica. Esta situación hace que la certificación sea un proceso más complejo y los consumidores no tengan una percepción clara de qué productos son ecológicos. En muchas ocasiones tantas etiquetas pueden generar confusión.

- **Concentración de la demanda:** dos países generan casi el 90 por ciento de las ventas de alimentos ecológicos, mientras que los cultivos orgánicos se cultivan en 181 países. Urge pues la necesidad de implementar mercados internos.

- **Escasez de suministros:** las ventas de alimentos orgánicos están creciendo significativamente más rápido que el área de tierra ecológica para arar. Este déficit puede ser un problema grave para el sector si no se aborda a corto plazo.

3.

Después de haber visto la situación actual del mercado de productos orgánicos y previo al desarrollo de la marca ecológica, es necesario hacer una introducción de las marcas como tal. Para la mayoría de nosotros, una marca puede considerarse como un nombre o un logotipo, pero de hecho es mucho más que eso. Recogido en el libro *Building Strong Brands* de David A. Aaker, se especifica que "una marca es un conjunto de promesas diferenciadoras que vinculan un producto a sus clientes". De esta manera, una marca se considera más que una forma de diferenciación de un producto a otro. Es un nombre o logotipo, pero también son las asociaciones que un consumidor tiene en mente con respecto al nombre o logotipo.

Las marcas desempeñan diferentes roles tanto para los clientes como para las empresas, y por lo tanto surgen varios enfoques al considerar cuánto vale la marca. Sin embargo, los más importantes son el valor de marca desde el punto de vista financiero, y el valor de marca o imagen de marca desde el punto de vista de marketing. Estos conceptos están relacionados, ya que una imagen de marca sólida en términos de marketing aumentará los rendimientos financieros de la empresa. Sin embargo, un valor positivo en el entorno financiero no se traduce siempre en una fuerte imagen de marca como tal.

Por ello, existen muchos modelos teóricos para explicar y mejorar la imagen de marca de productos y servicios (en el ámbito del marketing). El principal es el de David A. Aaaker, que define la imagen de marca o “brand equity” como el “conjunto de activos (y pasivos) vinculados a una marca que suman (o restan) al valor proporcionado por un producto o servicio.” Además de esta definición, recoge en cuatro pilares fundamentales los conceptos más importantes para la creación de valor en las marcas:

- Lealtad de marca
- Calidad percibida
- Conciencia/reconocimiento de marca
- Asociaciones de marca

La lealtad a la marca se considera el pilar principal del modelo de Aaker y se define como el vínculo que un cliente tiene para una marca. Por su parte, la calidad percibida (que no la real) es esencial a la hora de analizar y reforzar el valor de marca. Crear un sólido valor de marca requiere generar percepciones de la calidad que queremos proyectar a los clientes. Por otro lado, la conciencia de marca se define como la "fortaleza de la presencia de una marca en la mente del consumidor". Los consumidores recuerdan una marca de diferentes maneras, y esa es la razón por la que también hay diferentes formas de medir el conocimiento de una marca específica, todas igualmente importantes en la construcción de una imagen de marca fuerte.

Por último, las asociaciones de marcas son uno de los impulsores más importantes del valor de la marca tanto como para Aaker como para Keller, otro de los padres de la gestión de marcas. Las asociaciones son los diferentes vínculos que los consumidores hacen acerca de una marca. Estas asociaciones están tremendamente vinculadas con la identidad de la marca, que es precisamente el grupo de asociaciones que una empresa desea transmitir a sus clientes. En otras palabras, construir un valor de marca requiere un desarrollo previo de la identidad de la marca para alinear las asociaciones que la empresa quiere transmitir y las asociaciones que los clientes finalmente hacen. Aaker define la identidad de marca como el "corazón y alma" de la misma. Proporciona la dirección, el propósito y el sentido de la marca en sí. Como resultado, la visión estratégica debe centrarse en su identidad de marca y observar detenidamente sus asociaciones de marca.

4.

Las percepciones de responsabilidad ambiental, ética y social de más personas aumentan constantemente. Esto contribuye a la introducción de productos "más verdes". Por lo tanto, el concepto de marketing verde ha surgido rápidamente entre las empresas y la búsqueda de crear no solo un valor de marca, sino más bien un valor de marca verde es ahora más popular que nunca.

Esto proporciona numerosas ventajas. Por ejemplo, los productos verdes se adaptan mejor a la legislación ambiental actual, ahorrándose así multas y penalizaciones importantes. Además, los productos ecológicos se consideran, de media, de más calidad y los consumidores confían más en ellos. Sin embargo, el marketing de productos ecológicos se enfrenta a varios desafíos:

- Los beneficios ecológicos no son tan tangibles como otros: esto significa que, para los consumidores, las ventajas ecológicas parecen distantes en la escala de las necesidades humanas.

- La mayoría de los países desarrollados están muy acostumbrados al consumo contaminante: esto hace muy difícil un cambio de mentalidad hacia un consumo más responsable con el medioambiente.

- Bajo conocimiento de la marca: es decir, no hay una gran tasa de conocimiento cuando se consideran productos ecológicos.

- Falta de conocimiento sobre el tema: las empresas no tienen experiencia en la comercialización de productos ecológicos. Esto implica grandes inversiones en investigación y desarrollo de tecnología verde.

El valor de marca ecológico se considera una de las partes más importantes para el marketing de los productos ecológicos. En este caso, el valor de marca ecológico no ha sido tan estudiado, pero sí hay varios conceptos estrechamente relacionados con el valor de la marca verde que sirven de guía para una mejor comprensión del tema:

- **La imagen de marca verde**. Esta se define como "una configuración mental de un cliente desarrollada en base a impresiones, ideas, creencias y percepciones seleccionadas con respecto a los atributos y funciones ecológicos de la marca". Está relacionada con las asociaciones de marcas explicadas anteriormente. La razón de esto es que la imagen se crea según el grado de respeto al medio ambiente que vinculan con el producto y es tremendamente importante para aumentar la confianza en los productos ecológicos a ojos del consumidor.

- **Satisfacción verde**. Es decir, satisfacción de los deseos ambientales y necesidades ecológicas de los consumidores. Este factor afecta a la intención de recompra y, a largo plazo, también la confianza en la marca. Por ello, es otro de los factores a considerar cuando se quiere mejorar el valor de marca verde.

- **Confianza en la marca verde**. Este concepto mide la fiabilidad de una marca con respecto a su desempeño sostenible. Si se confía en una marca, la satisfacción del consumidor aumentará, la imagen de la marca mejorará y su valor se reforzará.

Esto significa que tanto la confianza en estos productos como todos los conceptos previamente señalados afectan directamente al valor de marca ecológica de una manera positiva. Pese a ello, uno de los mayores problemas a los que se enfrentan las empresas a la hora de incluir prácticas más sostenibles e incorporar productos ecológicos, es que la fiabilidad de las marcas verdes es en general baja, debida en gran parte a los lavados de cara o "greenwashing". El "greenwashing" incluye diferentes técnicas de promoción que pretenden engañar a los consumidores acerca de las características ambientales de los productos. Esto pone en peligro toda la credibilidad de los productos ecológicos.

Para solucionarlo, las etiquetas ecológicas proporcionan una fuente fiable respecto a la sostenibilidad de los productos que las tengan. Son el elemento principal para aumentar la confianza en los productos ecológicos, asegurar su calidad y el respeto hacia el medioambiente. Desde 1992, existe una ecoetiqueta o etiqueta ecológica europea, la llamada "Flor", que sirve como certificación oficial para productos ecológicos en toda Europa. De carácter voluntario, todos productos con la etiqueta ecológica de la UE cumplen varios estándares medioambientales a lo largo de su ciclo de vida.

Existe una amplia variedad de ecoetiquetas. De hecho, la página "Ecolabel Index" reúne 463 etiquetas diferentes. Una de las razones principales de esto es que las etiquetas ecológicas se pueden aplicar a numerosos ámbitos; uno de los más importantes es el logotipo orgánico europeo, que se ha aplicado a los productos alimenticios ecológicos desde 2010. A diferencia de los demás, la etiqueta orgánica es obligatoria para todos los productos alimenticios de la UE preenvasados que sean orgánicos y se vendan dentro de la UE.

5.

Para finalizar este trabajo, se llevó a cabo una encuesta dirigida a 123 personas de 4 países distintos: Alemania, España, Finlandia y Francia. En esta encuesta, se realizaron 12 preguntas relacionadas con el consumo de productos ecológicos y que, a su vez, corresponden con cada uno de los cuatro pilares de la creación del valor de marca desarrollado por Aaker y explicado anteriormente. A través del análisis de los resultados, se llegó a la conclusión de que el mercado de productos orgánicos tiene un peso importante ya que el 58,5 por ciento de los encuestados compra productos orgánicos al menos una vez por semana.

Además, existen diferencias sustanciales entre países. Mientras que los alemanes y finlandeses son los que más compran productos ecológicos y se consideran más fieles a ellos (su lealtad a la marca ecológica es la mayor), los franceses son los que mejor percepción tienen a estos productos (es decir, sus asociaciones de marca son las más positivas). Ven los productos ecológicos como de mayor calidad, están dispuestos a pagar un precio mayor por ellos y comprar "verde" les hace sentir mejor con ellos mismos. Pese a ello, de media no consumen tantos alimentos ecológicos como los países de Europa del norte. Por su parte, los españoles son, en términos generales y debido a los resultados obtenidos, los que menos interés tienen en comprar ecológico.

Conclusiones

A lo largo de este trabajo se ha visto como las prácticas sostenibles son cada vez más importantes. El mercado de productos ecológicos es cada vez mayor y la presión gubernamental acompañada por una mayor concienciación de los consumidores, está obligando a introducir más productos "verdes". Así, los negocios están empezando a entender el potencial que los productos ecológicos pueden ofrecer. Pese a ello, esta tendencia es aún nueva lo que implica grandes inversiones en investigación y desarrollo de tecnología sostenible. Con todo, se considera ya no sólo efectivo para el medioambiente y el futuro del planeta, sino una opción muy interesante para los negocios en el ámbito internacional.

Apostar por el desarrollo sostenible es ganar dos veces, tanto protegiendo al planeta, como adaptándose a esta nueva tendencia ecológica que es más necesaria que nunca.