Abstract on Evaluating Sustainability as a Core Competency: Consumer Response to Sustainable Products

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Abstract Consumer product markets must confront the challenge of predicting what capabilities to bring together to ensure a valued core competency, despite continuously evolving consumer tastes and beliefs. This research evaluates the influence of the individual and combined product attributes of sustainability and innovation on consumer preference, to understand their strength of differentiation and to inform sustainability-marketing strategies. A marketing perspective is applied to the resource-based view to evaluate whether core competencies of sustainability and innovation (via a remanufactured and an innovative product) contribute to the co-creation of sustainable consumption opportunities and behaviors. Paired product survey responses were used to delineate the influence and interaction of innovative versus sustainability attributes on the consumer's preference and intent to purchase the product. Frequency analysis, Chi-square test for equal proportions, and generalized logit regression were performed. Findings suggest that sustainability product features offer consumers a stronger reason to buy than innovative product features. However, when sustainable products are unavailable, the innovative product outperforms the undifferentiated, non-sustainable product. Contrary to expectations, the bundling of sustainability and innovation attributes does not create additional attraction for the consumer. Further, while sustainability differentiation alone creates sufficient reason to buy for the majority of consumers, stated concern for the environment alone does not affect preference for the sustainable option. There are two possible explanations for why innovation does not overshadow sustainability: first, the sustainability aspect of CSR, remanufacturing specifically, leads to higher consumer preference (and consequently, better performance) when isolated from other CSR elements or, second, sustainability may constitute innovation itself. In the isolation of sustainability attributes from innovative attributes, it was found that customers who favor sustainable products are four times more likely to favor other

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innovative products when sustainable products are unavailable. This suggests that there may be merit to considering sustainability attributes within the hedonic values spectrum and may explain the strength of preference for the sustainable product, in spite of stated environmental concern: customer preference for the sustainable product may originate in variety-seeking behavior, rather than personal and social values structures.

References Available Upon Request