

# What Enhances the Consumer Utility Function on Environmentally Friendly Products? The Role of Message Framing in Marketing Communications

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## ABSTRACT

In the past few decades, environmental sustainability issues have helped change consumers' behavior and consumption patterns. In addition to increasing consumer awareness of environmentally friendly behavior, consumers face two alternatives of consuming environmentally friendly or conventional products. Consumer behavior is closely related to utility theory. During their evaluation process, consumers tend to consume products that provide maximum value or benefit. An empirical phenomenon in emerging markets such as Indonesia shows that the consumption of environmentally friendly products is still much lower than conventional products. Using the utility and prospect theory, this study aims to provide a conceptual framework in enhancing consumer perceived utility of environmentally friendly products through message framing in marketing communications. The use of message framing in marketing communications is one practical way that marketers can do to change consumer preferences and increase consumer perceived utility for environmentally friendly products.

**Keywords:** *Environmentally Friendly Products, Perceived Utility, Message Framing, Sustainability.*

## 1 INTRODUCTION

It cannot be denied that environmental quality and sustainability are dependent on human behavior patterns. Human behavior can cause severe damage to the environment and threaten the lives of humans and other species in the future (Steg & Vlek 2009, Lehman & Geller 2004). Therefore, in the past few decades, many parties, including government and academia, have given great attention to environmental damage and its impact on the sustainability of life (Haytko & Matulich, 2008).

The phenomenon of environmental damage has encouraged consumer awareness of behavior that cares about the health and the

environment. This awareness is thought to be a factor that increases the consumption of environmentally friendly and organic food products (Ertz et al. 2016, Smith & Paladino 2010). This definitely is beneficial not only for marketing environmentally friendly products (Van Doorn & Verhoef 2011) but also for increasing public and media interest in the products and their processing (Williamson 2007). In the context of emerging markets like Indonesia, the increasing interest in and consumption of environmentally friendly products is still far behind than neighboring countries, such as Thailand and India (Nisa 2012).

In addition, consumption of conventional products is still higher than environmentally friendly products (Iskan 2020, Mayrowani

2012, Sulaeman 2007). This also occurs in European countries; although most consumers have a positive attitude towards environmentally friendly products, the purchase of environmentally friendly products is still low (Aertsens et al., 2009). Consumers perceive environmentally friendly products' high price and availability as the most significant constraints in consuming environmentally friendly products (Aertsens et al. 2011, Lea & Worsley, 2005).

Many studies try to uncover the factors that encourage consumers to consume environmentally friendly products (Smith & Paladino 2010, Gotschi et al. 2010, Chen 2009), but those studies seem to ignore the phenomenon that environmentally friendly product consumption is still low. This research is one of the first to focus on solutions to low consumption of environmentally friendly products where the researchers try to reveal the role of message framing in marketing communication to increase consumer preferences for environmentally friendly products.

The researchers try to reveal the role of message framing as a persuasive effort to increase consumer perceived utility. The utility theory, from a managerial economic perspective and prospect theory in consumer behavior, is the researchers' primary point of view in achieving the research objectives. The application of message framing in marketing communications is seen as a persuasive effort to increase consumer perceived utility to be positive about environmentally friendly products. In general, attitudes have a relatively consistent character with the reflected behavior (Schiffman & Kanuk 2010: 246), so, naturally, a positive attitude causes a consumer's positive behavior towards environmentally friendly products. A positive attitude towards environmentally friendly products forms an intention to buy environmentally friendly products at a premium price level compared to conventional products (Aertsens et al. 2011, Smith & Paladino 2010, Tarkiainen & Sundqvist, 2005).

## 2 RESEARCH METHODS

This study aims to provide a conceptual overview of the role of message framing as a persuasive effort to increase consumer perceived utility of environmentally friendly products. This research is a conceptual study which is a form of qualitative research that combines managerial economic perspectives with consumer behavior from a marketing management perspective.

The first step to achieve the objectives of this study was carried out by collecting various information derived from previous research related to environmentally friendly products, message framing, consumer preferences, and their utility. The second step was to see how the consumption of environmentally friendly compared to conventional products in Indonesia and identify consumer preferences and utility of environmentally friendly products. The next step was to examine previous research on persuasive efforts with message framing and their relevance to increasing consumer perceived utility of environmentally friendly products. The final step taken was to assemble the various perspectives of the literature review into a formula that is expected to provide insights to increase consumer preferences in consuming environmentally friendly products.

## 3 RESULTS AND DISCUSSIONS

Analysis based on economics shows that individuals tend to prioritize the desires that are most likely based on the preferences of several available alternatives (Brickley et al. 2016: 15). Referring to Thomas and Maurice (2016: 160), the basic principle in analyzing consumer behavior, from a managerial economic point of view, is that all individuals make consumption decisions by maximizing the total satisfaction obtained from consuming various goods and services, considering that the constraints function in consuming these goods and services must be equal to the income earned by the individual.

Consumers will compare the level of satisfaction obtained from a product relative to its price, whether the product is worth buying, which can be related to the utility concept. Referring to Graham (2013: 74), utility is defined as the amount of satisfaction that consumers feel after consuming a product. Thus, consumer preference for a product is highly dependent on the perceived utility value. As long as a product is considered to provide a higher utility, consumers will choose the product to maximize their total satisfaction.

Schiffman & Kanuk (2010:23) define consumer behavior as the behavior that consumers exhibit in searching, purchasing, using, evaluating, and disposing of products (goods and services) expected to satisfy their needs. Understanding consumer behavior is the first step in determining a product's appropriate price level, impactful advertising, product design that suits consumer tastes, and other production decisions. Management requires the correct economic model of consumer behavior to provide accurate estimates of products that suit the needs and desires of consumers and maximize utility (Thomas & Maurice 2016: 159). A proper understanding of consumers and their behavior also benefits management to design various ways to influence consumer preferences.

Message framing is a form of persuasive effort (Wood 2000), influencing a person's perceptions and attitudes towards environmentally friendly products. The term "framing" was introduced by Tversky & Kahneman (1981) to describe that different forms of presentation (positive or negative) of the same information or problem will affect the response given. A person's response will be different to the same information if the information is presented differently. (Corner & Hahn 2010, Braun et al. 1997).

Prospect theory (Kahneman & Tversky 1979) is a theoretical foundation used to explain framing effects. This framing effect refers to a person's response will be different to the same information that is framed differently (positive or negative). Based on Tversky & Kahneman (1981), positive framing emphasizes the aspects of benefits obtained from

carrying out the communicated message, while negative framing emphasizes the aspects of risk (loss) incurred by not carrying out the communicated message.

The research problem is that the consumption of environmentally friendly products is still much lower than conventional products (Iskan 2020, Mayrowani 2012, Nisa 2012, Aertsens et al. 2009). Most consumers perceive that the consumption of conventional products provides higher utility than environmentally friendly products. The low income of Indonesian society causes most people to be satisfied with conventional products that offer lower prices and are more generous. This is in line with the perspective of economics that individuals fulfill consumption needs with the maximum utility by considering their income constraints (Thomas & Maurice 2016: 160).

In marketing environmentally friendly products, high prices and stock availability (Aertsens et al. 2011, Lea & Worsley, 2005) are major constraints faced by marketers. The high price will be a function that corresponds to the consumer income because the consumer cannot consume a product that exceeds their income level. However, Padel & Foster (2005) argue that consumers can be willing to buy environmentally friendly products if they know the various reasons behind the high price of these environmentally friendly products. Therefore, the efforts of marketers to increase positive perceptions and attitudes towards environmentally friendly products are needed. Marketers need to educate the market to change the market perception that the utility of environmentally friendly products is better than conventional products so that consumer preferences for environmentally friendly products are high.

In discussing environmentally friendly products, Yiridoe et al. (2005) explain that consumer preferences for environmentally friendly products are based on attitudes towards these environmentally friendly products' characteristics, such as safer and healthier consumption and more environmentally friendly. Persuasive efforts with message framing can educate consumers that environ-

mentally friendly products offer higher utility value than conventional products. Effective marketing communications through message framing is expected can increase the consumer perceived utility towards environmentally friendly products so that, in the end, it can increase consumption of environmentally friendly products.

The persuasive process of message framing also needs to consider the target market. The prioritized target market is the consumer segments that have purchasing power. These persuasive efforts then need to be continuously evaluated and even developed to broader consumer segments. In addition, marketers also need to be more creative and innovative in offering environmentally friendly products so that the price and stock availability constraints can be coped well.

#### 4 CONCLUSION

The phenomenon of environmental damage and its sustainability in the future has attracted the attention of various parties to find common solutions. In the realm of marketing, attention and consumption of environmentally friendly products is one of the efforts that can be made to reduce the process of a deteriorating environment and health quality. Using a combination of managerial economic and consumer behavior perspectives, this conceptual study seeks to reveal the role of message framing as a persuasive effort to increase consumer perceived utility and preferences for environmentally friendly products.

Message framing in marketing communications can be used to persuade consumers to consume environmentally friendly products than conventional products. The message is expected to increase consumer perceived utility of environmentally friendly products, such as safer and healthier, and more environmentally friendly for a better future environment. The increase in perceived utility on environmentally friendly products will theoretically shift consumer preferences to consume more environmentally friendly products.

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