

Improving life quality of consumers: a sin tax as a marketing tool to promote the consumption of healthy beverages

Anastasia Kovalenok
Higher School of Economics

Cite as:

Kovalenok Anastasia (2022), Improving life quality of consumers: a sin tax as a marketing tool to promote the consumption of healthy beverages. *Proceedings of the European Marketing Academy*, 51st, (107335)

Paper from the 51st Annual EMAC Conference, Budapest, May 24-27, 2022



Improving life quality of consumers: a sin tax as a marketing tool to promote the consumption of healthy beverages

Abstract

Consumer orientation towards healthy food depends on the possibility to make a healthier choice, which is ensured by coordinated actions of companies and state. In this research, we consider a problem of optimal regulatory policy design, where the task is to determine an optimal sin tax rate maximizing the social welfare, companies' utilities and stimulate healthier consumer choice. The research presents a model for coordinating the interests of government, companies and heterogeneous consumers. This model is based on a sequential game represented by a three-level mathematical program. We design an algorithm that efficiently solves the problem, i.e. obtaining a socially optimal solution in time polynomial in the input size of the problem, read as tractable on modern computers. We particularly focus on the development of heterogeneous consumer utility functions, which are based on the choice model approach.

Keywords: *healthy food; consumer well-being; governmental regulations*

Track: Social Responsibility & Ethics