

Effect of Green Products on Brand Performance: Evidence from Organic Products in the Ready-to-Eat Cereal Category

KAI LESAGE

Grenoble Ecole de Management

Christophe Haon

Toulouse Business School

Shekhar Misra

Grenoble Ecole de Management

Cite as:

LESAGE KAI, Haon Christophe, Misra Shekhar (2023), Effect of Green Products on Brand Performance: Evidence from Organic Products in the Ready-to-Eat Cereal Category. *Proceedings of the European Marketing Academy*, 52nd, (114269)

Paper from the 52nd Annual EMAC Conference, Odense/Denmark, May 23-26, 2023



Effect of Green Products on Brand Performance: Evidence from Organic Products in the Ready-to-Eat Cereal Category

Abstract

Green products like organic foods have been at the center of new product development for over a decade. However, whether adding organics to a product portfolio helps or hurts brand performance remains an unstudied question. The author has discovered that organic products positively affect overall brand performance by analyzing point-of-sale data in the ready-to-eat cereal category from 11,285 U.S. food retailers over 2018-2019. A brand's market power enhances organics' effect on brand performance while the price gap diminishes it. Further analyses show that the price gap between organic and conventional products is as critical to brand performance as to other products under the same parent brand. The findings suggest that marketing managers should holistically approach product line extension and pricing strategy while introducing new organic products. These insights will also help retailers optimize merchandising and private-label organic program development.

Subject Areas: *Marketing Strategy, New Product Development and Launch, Product Management*

Track: Marketing Strategy & Theory