

To: David Python
From: Iliana Booth
Re: Evidence-Based Recommendation for New Target Market Segment

Situation Summary:

Cariuma has successfully acquired a loyal following from the *Concerned Greens* market segment, which consists of well-educated young adults with an above-average income for their age group, upper-middle to upper social class, and passion for the environment and the planet's future. To maintain Cariuma's impressive growth, we must target a new market segment consistent with our values, notably our commitment to sustainability. I was requested to provide evidence-based recommendations on which target market segment to pursue and devise the main message to persuade them to become loyal consumers of our shoes.

Recommendation:

1. We should target the *True Greens* market segment, which consists of financially secure older adults who prioritize sustainability regardless of cost and are focused on making a difference for all.
2. Our main message to target this segment should emphasize that purchasing Cariuma shoes means investing in high-quality, ethically sourced, and sustainably made shoes while positively contributing to the future of our planet. *True Greens* value making a positive difference, so highlighting our reforestation efforts will resonate with them.
3. To reach this target market segment, we should focus our marketing on cable TV, radio, Facebook, YouTube, and email. These channels will effectively reach the *True Greens*' older demographic.

Rationale:

- The Baby Boomer generation has substantial spending power; many pursue high-quality or luxury items. Baby Boomers are characterized by high education levels, high incomes, and dual-career households; Boomers are 48 percent more likely than the average adult to earn \$100,000 or more (p. 124)ⁱ.
- Baby Boomers are more tech-savvy than they are typically given credit for. More than 60% own a smartphone, and about two-thirds use the Internet to purchase products (p. 124)ⁱⁱ. Referencing this data, I can ascertain that more than two-thirds of the *True Greens* market segment (54% Baby Boomers) shop online.
- Since *True Greens* are known to purchase green products regardless of cost, Cariuma has an advantage in this market segment because our prices are unlikely to be a barrier for these consumers. A study on consumers' green purchase behavior reports that higher prices are a common hurdle for consumers in purchasing green products, "creating a gap between attitude and actual purchasing behavior."ⁱⁱⁱ Fortunately, this is not predicted to be an issue with this segment as they are financially secure and willing to buy green products regardless of higher prices.
- Cariuma fits the profile of what the *True Greens* consumers are looking for based on their values. The *True Greens* market segment is generally characterized by benevolence, which allows us to speculate on their broader values. I can infer that this group tends to uphold altruistic and bio-spheric values over egoistic ones in its concern for the well-being of the environment and community. Evidence from a review focused on the impact of consumer values on green consumption reflects that "altruistic and bio-spheric consumers may be motivated to enjoy the pro-environmental orientated CVs of gentleness-related green products."^{iv}
- To effectively appeal to the *True Greens*' altruism, we should emphasize our mission in action through our dedicated reforestation efforts. A study on altruism's role in green consumption found that altruism mediates the relationship between consumers' attitudes toward a green product and their intention to buy it by 5 percent. The study recommends utilizing altruism in marketing strategies to increase the consumption of green products.^v Our marketing messages should demonstrate our active commitment to improving the lives of others.
- According to a 2024 consumer survey, cable TV is a primary news and entertainment source for older adults, so it would be wise to use this channel to target the *True Greens*. The survey also found that Facebook and YouTube are the leading social media platforms for older adults, and 47% spend more than an hour on these platforms daily.

Key Issues:

- There is risk involved in investing in cable TV and radio marketing when the popularity of these traditional channels continues to decline in favor of digital media. The traditional video subscription market (cable, telco, satellite video services) peaked in revenue in 2016 and has since dropped yearly with no reversal forecasted.^{vi}
- The *True Greens* market segment is known to study labels and policies and is willing to boycott companies that are not sustainable. Corporate greenwashing is known to be highly prevalent, and if a company's green promises are not kept, participants assess its reputation and credibility negatively.^{vii} Therefore, no company is entirely safe from scrutiny over its sustainability claims. Ensuring full transparency and honesty in our marketing efforts is crucial to avoiding greenwashing claims and earning the *True Greens*' trust.

Works Cited

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ⁱ Mothersbaugh, David L., et al.
ⁱⁱ Mothersbaugh, David L., et al.
ⁱⁱⁱ Sharma, Ajai Pal.
^{iv} Sivapalan, Achchuthan, et al.
^v Bautista, Reynaldo Jr., et al.
^{vi} Shafer, Seth, et al.
^{vii} Keilmann, Julianne, and Thomas Koch.