Green Marketing - A Study on Customers Perception

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Abstract

In this present business scenario where globalization has been important issue by organizations they have to keep manufacturers and customers aware about the environmental impact of products. Consumers and manufacturers have directed their attention toward environment friendly products that are pretend to be “green” or products having low power consuming energy electrical appliances, organic foods, lead-free paints, recyclable paper, and phosphate free detergents. Indian marketers are also realizing the importance of the Green Marketing Concept. However, researchers have carried their research work on green marketing concept around the globe. But little part of research has been done on consumer’s perception in India. This research provides a brief review of environmental issues and identifies the green need and value of the consumers. The level of awareness they have about environmental issues, green products and practices. This paper highlights the consumers’ perception towards green marketing practices and products with the help of a structured questionnaire. A study was conducted on 100 respondents. High level of awareness about green marketing practices and products was found among the consumers. They are keen to buy products which have green feature among them. Green values were also found to be high among the respondents. Research has given good results for marketers of the green products and suggests the need of designing the marketing campaigns in promoting green products due to high green need among the consumers. Results of regression analysis reveals the view that overall green values, awareness about green products and practices and the perception regarding seriousness of various companies towards green marketing had positive impact on consumer preference to buy and prefer green products over other conventional products.

Key Words: Green marketing, Environmental friendly products, Willingness to buy green products, Environmental issues.

Introduction

The business organizations now days constantly follow the most innovative trends to sell the products in the market due to high competition. The marketing trends are changing and continue researches have been done to know about the changes in the consumer behavior by identifying the tastes preferences and needs of the consumers in this cut throat competition. The businesses these days modify their products according to the consumer’s requirement taking into consideration about the environmental effects and negative impact of these products and services on human as well environment. The reason for this change is very well visible by the adverse effects of climate, global warming and increase in air and water pollution day by day.

This, in order to make people aware and safe from adverse affects green marketing is adopted by various organizations in order to meet the expectations of the consumers and also aware them about the environment concerns in order to gain a strong consumer base and a competitive advantage to the companies Green marketing can be a very powerful tool in the hands of marketing companies to grow their business for future. Green marketing is also termed as environmental marketing or ecological marketing.

According to American Marketing Association, marketing of products that are presumed to be environmentally safe is called as Green Marketing. Thus wide range of activities are covered under green marketing, which includes modifying the product, making changes in the production process and
packaging, as well as modifying advertising or removing any activity that impacts the environment in negative way. Today, the Earth faces more environmental issues than ever before, hence it is imperative for companies to make and market them as environment friendly. Green marketing is emerging as a popular promotional strategy owing to increased consumer awareness and concerns.

The concept of green or ecological marketing calls upon businesses to follow ethical and green practices while dealing with customers, suppliers, dealers, and employees. Companies have started marketing themselves as green companies. Even the Public Sector Units and state governments are now paying a lot of attention towards environmental issues such as global warming, pollution, or water contamination and have started taking steps to prevent environmental pollution. In a recent survey conducted by National Geographic Society and the international polling firm Globescan (2010) to determine consumers’ green attitude called “Consumer Greendex”, the top scoring consumers were in the developing economies of India, Brazil and China while industrialized economies were at a very lower scale including United States and Russia. These countries were least considered on sustainability factor than others.

**Green Products and its characteristics relating to market practices**

There is no such definition on green products but the product which are manufactured through green technology and that causes no environmental hazards are called green products. The production of green products is necessary for conservation of natural resources. We can define green products by following measures.

- Products those are originally grown.
- Products whose are recyclable, reusable and biodegradable.
- Products with natural ingredients.
- Products containing non-toxic chemical.
- Products that do not harm or pollute the environment.
- Products that have eco-friendly packaging, that is reusable, refillable.
- Products that are energy efficient.
- Products that are water efficient.
- Products that are long lasting i.e. durable.

It is found that many marketing companies are adopting green campaigns which are entirely true but there is need for standardization to authenticate these claims. There is no current place to certify a product which is claims to be organic by the companies. The advertisements try to persuade the buyers to adopt a green lifestyle and contribute in development of a greener planet. NDTV a major media group promotes green values through its campaign Greenathon. NDTV Greenathon as they call it organizes various philanthropic and social activities to raise awareness regarding environmental issues at the same time contribute to the social causes like electrification of rural areas etc. Philips is marketing its Compact Fluorescent Light (CFL) as “Marathon”, highlighting its new “super long life” and energy efficiency many companies are now offering more eco-friendly alternatives for their customers; re-cycled products are one of the most popular alternatives that benefit the consumers. The leading brands like Mc Donald’s building an eco-friendly house for children next door to the Dell Children’s Medical Center, the Austin and Central Texas Ronald McDonald House is the first Ronald McDonald House in the world to attain LEED © (Leadership in Energy and Environmental Design) Platinum NC (New Construction) certification, the highest level of green building awarded by the United States Green Building Council. The solar-powered House generates enough energy to power 15 bedrooms and off sets 30,000 pounds of carbon dioxide annually—the equivalent of driving 33,000 miles.
Coca-Cola has narrowed down 3 environmental goals on which to focus their efforts: water stewardship, sustainable packaging, and climate & energy protection. Each of these initiatives is at their corporate plan. In just a few years, Coca-Cola has already gotten itself involved in community recycling programs and a complete, sustainability-focused overhaul of its packaging designs. Computer equipment has historically been one of the most difficult and costly products to safely dispose of. Fortunately, one of the major leaders Dell in that field has stepped forward to make the task less daunting. Through its no computer should go in waste theory Dell allows customers to return any Dell-branded product back to the company for free. The company has even gone so far as to establish programs that accept computers, monitors, or printers from other companies for safe disposal, as well. These are some of the main examples of green products there are 25 top companies who realized their work for sustainable environment and eco-friendly business practices that are leading the green revolution.

Review of Literature

The term Green Marketing came into prominence in the late 1980s and early 1990s.[5] The American Marketing Association (AMA) held the first workshop on "Ecological Marketing" in 1975.[6] The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing". The Corporate Social Responsibility (CSR) Reports started with the ice cream seller Ben & Jerry's where the financial report was supplemented by a greater view on the company's environmental impact. In 1987 a document prepared by the World Commission on Environment and Development defined sustainable development as meeting “the needs of the present without compromising the ability of future generations to meet their own need”, this became known as the Brundtland Report and was another step towards widespread thinking on sustainability in everyday activity. Two tangible milestones for wave 1 of green marketing came in the form of published books, both of which were called Green Marketing. They were by Ken Peattie (1992) in the United Kingdom and by Jacquelyn Ottman (1993) in the United States of America.[8] According to Jacquelyn Ottman, (author of "The New Rules of Green Marketing: Strategies, Tools, and Inspiration for Sustainable Branding" (Greenleaf Publishing[9] and Berrett-Koehler Publishers, February 2011)) from an organizational standpoint, environmental considerations should be integrated into all aspects of marketing — new product development and communications in between. The holistic nature of green also suggests that besides suppliers and retailers new stakeholders be enlisted, including educators, members of the community, regulators, and NGOs. Environmental issues should be balanced with primary customer needs. The past decade has shown that harnessing consumer power to effect positive environmental change is far easier said than done. The so-called "green consumer" movements in the U.S. and other countries have struggled to reach critical mass and to remain in the forefront of shoppers' minds. While public opinion polls taken since the late 1980s have shown consistently that a significant percentage of consumers in the U.S. and elsewhere profess a strong willingness to favor environmentally conscious products and companies, consumers' efforts to do so in real life have remained sketchy at best.[1] One of green marketing's challenges is the lack of standards or public consensus about what constitutes "green," according to Joel Makower, a writer on green marketing. In essence, there is no definition of "how good is good enough" when it comes to a product or company making green marketing claims. This lack of consensus—by consumers, marketers, activists, regulators, and influential people—has slowed the growth of green products, says Makeover, because companies are often reluctant to promote their green attributes, and consumers are often skeptical about claims needed. Despite these challenges, green marketing has continued to gain adherents, particularly in light of growing global concern about climate change. This concern has led more companies to advertise their commitment to reduce their climate impacts, and the effect this is having on their products and service. A majority of Indian consumers are familiar with green products,
have confidence that green products are better for the environment, and sustainability. September 30, 2014
Growth opportunities lie ahead for companies that recognize that sustainability is not something to embrace simply because of regulatory demands, 2014.

Need for the study
Green marketing has slowly and steadily grown in the market and now days this has taken a large interest of the marketing companies because of having various benefits. However, it requires investment in educating customers, process modification, and technology improvement and communicating customers. Now days every company is promoting products by using the green marketing tool in their organization due to certain government regulations and shift in the consumers preference all over the globe. The consumers are having the need for green and environment safe products. However there is no much research work has been done in India and there is a need to know about the awareness level of green products among consumers.

Objectives of the research study
1. To know the level of awareness among Indian consumers for green products and practices.
2. To know the preferences of Indian consumers for green products.
3. To identify the brands customer associate with green practices in India.
4. To identify the factors that influences customer to buy green products.
5. To find out the challenges and issues related to green marketing products.
6. To measure about the green sustainability and green value of the customer.

Hypothesis Testing
Based on the literature reviewed and the conceptual model following hypotheses were generated to be verified with statistical analysis.
H01: There is no significant difference in green values on the basis of gender.
H02: There is no significant difference in preference of green products with respect to the academic qualification of the consumer.
H03: There is no correlation between green values and preference for green products

Methodology and Measurement
The unit of analysis in this study is the consumer level. Questionnaire survey was applied in this study to collect information from the consumers information collected through consumer survey is utilized for further analysis and verification of hypotheses. Green Consumer Value Scale was adapted in this study to measure the green value of the consumers. Classification of consumers from Green Gauge Study of Roper Organization (2001) was adapted in this study. 10 consumers were asked to fill the questionnaire for pretesting and to identify the similarity in terms, meanings and issues. Therefore the questionnaire had a high level of content validity. The respondents were asked to rate the statements on a 7 point scale ranging from strongly disagree to strongly agree. Since the neutral point on the scale was 5, those means above 5 suggests overall agreement with the statement and the mean below 5reflects disagreement. 10Valid responses for the questionnaire were received. After the pretest, the sample elements were selected as per convenience and were asked to return the filled Questionnaires within 1 week.
Findings and Discussions

Respondents surveyed were aware about the green products and practices. However most of the respondents were not aware about the initiatives taken for promoting green marketing practices by central/state government, NGOs and business houses in India suggesting need for better marketing communication from these entities and have to strongly communicate to the customers about their green initiatives. Newspaper and Television were found to be the most known sources of information regarding green products to the consumers. Consumer Perception about Green Products and Practices

As revealed from the mean score (6.57), respondents agreed that organizations with green claims are really concerned about the environment. This implies that consumers are not skeptic about the green claims of the organizations.

Consumers strongly agreed that the environmental degradation has risen in the last decade. Their mean score was found to be 6.38 on a scale of 7. Also, consumers strongly agreed to the fact that the environment will be degraded more in the next few years with a mean score of 6.15 on a scale of 7. All consumers have rated the seriousness on higher side for various factors that are considered as environmental concern. Consumers’ agreement regarding environmental degradation was high and may prefer green products over conventional products to protect the environment. Marketers can come up with new green products and communicate the benefits to the consumers. Respondents have rated the seriousness of various environmental concerns as high. The responses have marketing implications in terms of designing marketing communication campaigns, as higher mean score representing higher concern regarding the same amongst consumers and thus could be used while promoting green products.

Consumers were strongly agreeing for the importance of green marketing practices and have rated “Manufacturing Eco-Friendly Product” as the most important green marketing practice followed by “Educating customers to use products in environmental friendly manner” with a mean score of 6.67 and 6.64 respectively. All the green marketing practices were found to be considered as important by the consumers with none of the green marketing practice having scored less than 6.10 (see Table 1). This suggests that consumers are concerned about the state of environment and expect the organizations to employ green practices towards the protection of environment.

### Consumer perception about importance of green marketing practices

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<tr>
<th>Green Marketing Practices</th>
<th>Mean</th>
<th>Standard Deviation</th>
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<tbody>
<tr>
<td>Eco Friendly products</td>
<td>6.67</td>
<td>2.29</td>
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<tr>
<td>Educating customers about green products</td>
<td>6.64</td>
<td>0.76</td>
</tr>
<tr>
<td>Eco-Friendly products manufacture</td>
<td>6.53</td>
<td>1.34</td>
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<tr>
<td>Modifying products to eco-friendly</td>
<td>6.36</td>
<td>.497</td>
</tr>
<tr>
<td>Modifying product packaging to suit environment</td>
<td>6.30</td>
<td>.426</td>
</tr>
<tr>
<td>Promoting products in eco-friendly way</td>
<td>6.20</td>
<td>.125</td>
</tr>
<tr>
<td>Using green supply chain for procurement and distribution</td>
<td>6.11</td>
<td>.379</td>
</tr>
<tr>
<td>Branding green marketing practices with</td>
<td>6.10</td>
<td>.136</td>
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Message/Theme of the advertisement” was rated as the most important element of green product’s advertisement (with mean score of 6.67), followed by “Punch-line of the advertisement” (with mean score of 6.64). The responses have marketing implication in terms of designing marketing communication campaigns focusing on message or theme of advertisements.

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Green consumer value scale reliability analysis

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<th>Cronbach’s alpha</th>
<th>No. of Items</th>
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<td>.726</td>
<td>6</td>
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The Overall Green Value of the consumers is found to be 3.88 i.e. the consumers are concerned about the protection of the environment.

Conclusion

Consumers’ level of awareness about green products found to be high but at the same time consumers are not aware about green initiatives undertaken by various government and non-government agencies signifying need for more efforts from organizations in this regard. Newspaper remains leading source of information for most of the respondents and should be utilized more for reaching out to the consumers regarding green products and practices. Responses were on moderate positive level and we can conclude that consumers are not skeptic about green claims of the organizations and consumers are concerned about the present and future state of environment signifying need for green products and practices. Marketers can come up with new green products and communicate the benefits to the consumers. Due to increased awareness and concern consumer may prefer green products over conventional products to protect the environment. Concerns were more directed towards depletion of Ozone and Global Warming. The consumers are concerned about the state of environment and expect the organizations to employ green practices towards the protection of environment. The results have implication for durable manufacturers especially to practice green marketing. The marketing communication regarding green practices need to focus more on theme and message. Advertising appeals using green products and practices are likely to move emotions and result in persuasion. It is important for markets to be in top of mind Recall of consumers to gain maximum from their green brand positioning. Constant and continuous communication from the organizations’ side is required to make an impact and create a distinct green positioning. Consumers have shown positive attitude towards green products. Nowadays Consumers are aware of the Green products significance and are adopting the green methods for the products and services they are provided.

References