

**Impact on Green Marketing Strategies for Select Consumer Durables Goods in Chennai District**

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**ABSTRACT**

Environmental concern as the combination of marketing management discipline has appeared recently and inconsistently. The nucleus and essential elements of green marketing is sustainability in all spheres of business. Green marketing is about marketing a product or service having eco-friendly feature and aiming at win-win situation for both consumers and organizations. The study on green marketing is important because as human beings, our dwelling place is environment. For the temporary benefits of human race, humans are involved in polluting the environment. Hence, the efforts of corporate in attaining sustainability are studied through green marketing strategies of durable goods manufacturing sector. The study is conducted with objectives to identify the parameters influencing companies to take up green marketing, to assess the relative strength of Green Marketing Mix Strategies (GMMS), to evaluate the GMMS adopted, to analyze the impact of GMMS on marketing performance, to identify the perception of dealers towards green marketing adopted by respective companies and understanding the factors influencing consumers to take up green products.

The findings revealed that the major four parameters influencing companies to take up green marketing are 'Environmental Concern', 'Marketing Performance', 'CSR' and 'Process'. On the whole, Product related GMMS was given more importance by the selected companies. The marketing performance of the selected companies was more influenced by Place and promotion related GMMS. The dealers of selected companies had positive response towards GMMS adopted by their parent companies. From the view point of consumers, it was noticed that 'environmental concern', 'product' and 'promotion' were the three important factors that influence consumers to take up green products. Further, suggestions are given based on findings followed by general discussion, future perspective of green marketing; implications to managers and direction for future research are discussed in detail. To conclude, green marketing plays a vital role in environmental management of any country. Development of eco-friendly products and service is a trend seen throughout the world. Polluted environment implies an increased burden on society in terms of health, hygiene and cost which impact on countries economy. Companies are spending huge amount of money on research and development to introduce green/ eco-friendly products in the market. To recover the same cost and protect the environment, marketing of green products is very important without indulging in green washing.

**1. INTRODUCTION**

Green marketing, environmental marketing are the elements of innovative marketing approaches which do not change, increase or regulate idea about the persisting marketing practice, but search for challenging those traditional ideas and provide considerably different point of view. In more detail environmental, eco-marketing and green marketing belong to the group of approaches which seek to address the lack of fit between marketing as it is practiced presently and the social and ecological realities of the larger marketing environment. Ecological marketing has not grown up to the expectations and ideas of many marketing professionals. Public opinion through opinion polls, time and again demonstrates that consumers are ready to make green product purchase when all other things are equal. Those 'other things' are rarely equal in the minds of consumers while making practical purchase behavior.

Green marketing involves developing and promoting products and services that satisfy customers need for performance, quality, convenience and affordable pricing without having a detrimental impact on the eco-system. Green marketing is picking up as increasing amount of consumers are willing to back the environmental conscious products with their allocated funds. The general public seems to be doubtful of green claims made by the companies and companies are really damaging their brands by exposing their non-green products/ services produced from non-green practices. Showcasing a product or service as environmentally friendly when it's actually not, then it is termed as called green washing.

## 2. REVIEW OF LITERATURE

**Hasan and Ali (2015)** conducted a research on topic 'The impact of green marketing strategy on the firm's performance in Malaysia' with an aim of presenting the view of various literature and analyses of two factors (green innovation and green promotion) that will influence the firms' performance. The researchers found that green promotion and green innovation have a positive impact on the firms' performance.

**Chen (2010)** conducted research on 'The Drivers of Green Brand Equity: Green Brand Image, Green Satisfaction, and Green Trust'. This article proposed four novel constructs – green brand image, green trust, green brand equity and green satisfaction, and explored the encouraging associations of green brand equity and its three drivers – green satisfaction, green trust and green brand image. This research study was focused on information regarding electronics products in Taiwan. The research is an empirical study which was completed using questionnaire survey method. The research tool (questionnaire) was mailed to the respondents on random basis who had experienced purchasing/ promotional information regarding electronic products. The results exhibited that all the three drivers had positive relation with green brand equity. Green brand equity and green brand image have positive relationship with is mediated by trust and green satisfaction. To conclude, to enhance green brand equity one should focus on increasing the three drivers.

**Horne (2009)** The role of eco-labels in the assessment of product sustainability and routes to sustainable consumption'. The study was conducted with aims to know the grouping of ecological labels (eco-labels) and to find out the role of eco-labels in enhancing the green consumption

behavior. The study found that many studies suggest that consumers are positive towards the green purchase practices. However, the positive attitude of green consumption has not been materialized in terms of green purchase behavior. The raise in eco-labels has been noticed recently, this is because of the concerns towards climate change. Eco-labels help the consumers to differentiate between green and non-green products. According to the study, it is assumed that, if proper label information is provided to consumers then purchase behavior will shift from non-green purchase behavior to green purchase behavior.

### **3. NEED FOR THE STUDY**

As human wants are unlimited and resources on earth are limited, it becomes more important for companies to utilize the resources efficiently without wasting it and simultaneously achieving organizational goals. To succeed in present scenario, it is important to indulge in green marketing. Consumers all over the globe are concerned about environment and the concern is growing day by day. Studies indicate that concern towards environment is growing and consumers are slowly shifting their non-green behavior to green behavior. As a result of this, green marketing has emerged which talks about socially responsible and sustainable products and services. There is increase in the level of awareness among the consumers all over the globe with respect to protection of environment in which consumer live, people do not want to spoil the clean natural environment in which their offspring are going to dwell in future. It has been noticed that individual consumers and industries have shifted their non green behavior to sustainable behavior. No specific studies have been conducted in this regards. These types of studies will surely develop theories and come up with innovative ideas.

### **4. STATEMENT OF THE PROBLEM**

There is a small segment of Ecology Concerned Consumer (ECC) and hard to identify them. They are scattered and hard to reach (Arndt & Helgesen, 1979). Green-marketing as a concept is nascent, and as a consequence, it has not been extensively explored/researched to the extent it should have been, particularly in India. To meet this gap both in terms of literature and research, this topic entitled “**Green Marketing Strategies for select Consumer Durables**” was chosen as a topic of research.

### **5. SCOPE OF THE STUDY**

This study focuses on different marketing strategies employed by durable goods manufacturer/marketers and examine those strategies in terms of response pattern received by the marketing professional, dealers and consumers/ customers. Worldwide, various organizations are claiming to be environmentally friendly in their respective business activities. This study also throws light on the superiority of each of the green marketing mix strategies (GMMS) over other GMMS (product, price, place & promotion). The focus is also to see the influence of each of the components of green marketing mix like product, price, place and promotion related GMMS on overall marketing performance which will help the researcher to suggest the thrust areas of the marketing mix for developing effective green marketing strategies. The study has also

assisted in gaining thorough understanding about the organizations and its driving forces to take up green marketing. It is important to understand the parameters influencing the organizations to take up the green management.

The study has more significance in present scenario as the sectors selected for the study has marketing professionals, dealers and consumers, as respondents. The selected sectors included are automobile sector (two-wheeler and four-wheeler) and electronic sector (computer and peripheral manufacturers). Simultaneously the study focuses on the perception of dealers on adoption of green marketing strategies by their parent companies. It also throws light on dealers understanding and importance attached to each of the GMMS. Finally, the consumer view point is taken into consideration. The various factors influencing consumers to take up green products has been explored with their perception and attitude towards green products. The study also seeks to cover the environmental policies and the present state of green marketing strategies employed in these organizations. The study is conducted in Indian context and precisely for consumer durables sector.

## **6. OBJECTIVES OF THE STUDY**

This study on Green Marketing Strategies has following objectives:

- To identify preference towards selected parameters influencing companies to adopt green management.
- To evaluate green marketing strategies adopted by selected durable goods manufacturing companies.
- To analyze the impact of green marketing mix strategies on marketing performance.
- To identify the factors motivating consumers opting for green products.

## **7. LIMITATIONS OF THE STUDY**

Selection of only manufacturing sector is done as in-depth understanding of topic under consideration would be possible. If more sectors are selected then the focus will be diluted. The study is cross sectional in nature. Hence, researcher could not project the larger picture of the problem at hand. Longitudinal study across various sectors would give meaningful picture of the problem. All the dimensions GMS could not be studied as they do not fit in for manufacturing companies. The chosen respondents were marketing professionals of various companies who are supposed to have minimum knowledge about the company's long term strategy. The concept of green marketing is relatively new and hence many marketing professionals might not be aware of it. Very limited literature is available on GMS.

## **MEAN SCORES OF RESPONDENTS ON GMMS AND THE RESULT OF PAIRED SAMPLE 'T' TEST**

GREEN MARKETING MIX		MEAN	SD	'T' VALUE	'P' VALUE
Pair 1	Product related GMMS	3.86	0.39	10.84	<b>.000</b>
	Price related GMMS	3.02	0.36		
Pair 2	Product related GMMS	3.86	0.39	.903	.371
	Promotion related GMMS	3.82	0.45		
Pair 3	Product related GMMS	3.86	0.39	5.535	<b>.000</b>
	Place related GMMS	3.58	0.44		
Pair 4	Price related GMMS	3.02	0.36	9.636	<b>.000</b>
	Promotion related GMMS	3.82	0.45		
Pair 5	Price related GMMS	3.02	0.36	7.762	<b>.000</b>
	Place related GMMS	3.58	0.44		
Pair 6	Promotion related GMMS	3.82	0.45	5.242	<b>.000</b>
	Place related GMMS	3.58	0.44		

Note: t=paired samples t test value; N = 45

**TABLENO 1**

When the responses of product related GMMS were compared with price related GMMS, promotion related GMMS, and place related GMMS, it was observed that mean scores on Product related GMMS differed significantly with price related GMMS (t=10.84, **P=.000**) and place related GMMS (t=5.535, **P=.000**), where we find that mean scores on product related GMMS (3.86) was significantly higher than mean scores on price (3.02) and place (3.58) related GMMS. However, no such statistical difference was observed between product related GMMS and promotion related GMMS (t=.903, P=.371). Price related GMMS exhibited significant difference on both promotion (t=9.636, **P=.000**) and place (t=7.762, **P=.000**) related GMMS. Mean responses of promotion (3.82) and place (3.58) related GMMS were higher when compared to price related GMMS (3.02) and Lastly, when promotion related GMMS are compared with place related GMMS, it was found that promotion related GMMS (3.82) had higher mean scores as compared to place related GMMS (3.58) and was found to be significant with t value of 5.242 and P value of **.000**.

**MEAN SCORES OF RESPONDENTS ON VARIOUS PRODUCT RELATED GMMS AND THE RESULT OF ONESAMPLE 'T' TEST**

SL NO.	STATEMENTS	MEAN	SD	'T' VALUE	'P' VALUE
S1	Company that adopts product related green marketing mix strategies (GMMS) are more important.	4.47	0.66	14.894	<b>.000</b>
S2	Product related GMMS play important role than price related GMMS.	4.27	0.5	17.151	<b>.000</b>

S3	Product related GMMS play important role than promotion related GMMS.	4.29	0.5	15.759	<b>.000</b>
S4	Product related GMMS play important role than distribution related GMMS.	4.18	0.7	10.571	<b>.000</b>
S5	As product is tangible, it plays important role in framing green marketing strategies.	4.22	0.6	12.899	<b>.000</b>
S6	Product related GMMS have more scope than price, promotion and distribution related GMMS.	3.96	0.88	7.302	<b>.000</b>

**TABLENO 2**

When mean responses of various statements on product related GMMS was compared with a standard value of 3.0 using one sample t tests, it was found that all the time obtained responses were significantly higher than the expected standards. It was found that the overall agreements were significantly higher than the expected ones. Based on level of agreement (mean scores) the statements are chronologically arranged. Highest level of agreement was observed for the statement ‘Company that adopts product related green marketing mix strategies (GMMS) are more important’ with mean scoring of 4.47 and significant at 1% level of confidence (t=14.894, P=**.000**). Second highest level of agreement (mean 4.29) is obtained for the statement ‘Product related GMMS play important role than promotion related GMMS’ (t=15.759; p=**.000**). Statement ‘Product related GMMS play important role than price related GMMS’ placed third as the mean agreement scores are 4.27 with t value of 17.151 and P value of **.000**. With mean agreement scores of 4.22, statement ‘As product is tangible, it plays important role in framing green marketing strategies’ stands next which is significantly higher than the expected value (t=12.899, P=**.000**). Following this other two statements ‘Product related GMMS play important role than distribution related GMMS’ (mean 4.18) and ‘Product related GMMS have more scope than price, promotion and distribution related GMMS’ (mean 3.96) were found to have significantly higher mean scores than expected values (t=10.571, P=**.000** and t=7.302, P=**.000** respectively).

**RESULTS OF STEPWISE MULTIPLE REGRESSION (VARIABLES ENTERED INTO THE EQUATION) – TWO WHEELERS**

MODEL	VARIABLES ENTERED	R	R <sup>2</sup>	ADJUSTED <sup>2</sup>	STD. ERROR OF THE
1	Promotion related	.643	.413	.368	.32944

**TABLENO 3**

Only one independent variable best predicted marketing performance, where in the first step the variable entered was promotion related GMMS with correlation coefficient of .643 and contribution of 36.8%. The remaining contribution was unaccounted for and other GMMS were not predictors of marketing performance.

**RESULTS OF REGRESSION ANOVA**

MODEL		SUM OF SQUARES	DF	MEAN SQUARE	F VALUE	P VALUE
1	Regression	.993	1	.993	9.151	.010
	Residual	1.411	13	.109		
	Total	2.404	14			

**TABLENO 4**

The F value obtained for through regression ANOVA was found to be highly significant with F values of 9.151 with the significance level of .010 each.

**UN-STANDARDIZED COEFFICIENTS, T TESTS AND SIGNIFICANCES FOR DIFFERENT MODELS PREDICTED**

MODEL		UN-STANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS	T VALUE	P VALUE
		B	Std. Error	Beta		
1	(Constant)	-.430	1.328		-.324	.751
	Promotion	1.084	.358	.643	3.025	.010

**TABLENO 5**

Except for the constants, the t value obtained for Promotion related GMMS was found to be highly significant with the t value of 3.025 and significance levels of .01 levels.

**EXCLUDED VARIABLES**

MODEL		BETA IN	T VALUE	P VALUE	PARTIAL CORRELATION	CO-LINEARITY STATISTICS
						TOLERANCE
1	Product related	.325	.856	.409	.240	.319
	Price related GMMS	-.075	-.342	.739	-.098	.999
	Place related GMMS	.249	.840	.418	.236	.524

**TABLENO 6**

The excluded variables in the first step were Product related GMMS, Price related GMMS and place related GMMS.

**8. SUGGESTIONS**

The selected manufacturing companies should focus more on **products design strategy** and **green packaging**. Product design strategy reflects for development of new product as well as for

incremental growth of existing product. The green product developed should use less fuel; produce less noise, less pollution, more efficient, produced by recyclable material, less life cycle cost, reuse and recyclable and effective disposal. The **variety** in green product development should also increase. The packaging of main product and its spare parts must be done in eco-friendly manner. The material used for packing should have minimum detrimental impact on environmental and should be recyclable. The manufacturing companies can enhance its growth by **green value** based marketing, which describes the green benefits of the product and services. The durable goods manufacturing companies should focus on ***promotion related GMMS***. Promotion related GMMS will create awareness among the target/ prospective customers about green durable product. Only through promotion related GMMS, the eco-friendly benefits of the product, supply chain management, place, physical evidence and management practice will be communicated to prospective consumers/customers.

Manufacturing companies must develop their vendors and dealers along with them in terms on eco-friendly business practices. It can be possible by adopting **green vendor development program** and **green dealer development program**. Green vendor development can be achieved through developing required competencies, sharing knowledge and providing technical support to develop green components and sub-components. Green dealer development can be done through activities like managing material resource and industrial waste.

The manufacturing companies are involved in green practices according to their individual capacity. The same should be branded in the market. The companies should involve themselves in **green branding** about their respective product and communicate the eco-friendly benefits to the consumers. Sustainable brand name selection will also assist in green branding. It should also be noticed that companies while branding their product in terms of eco-friendly nature of the product should not involved in **green washing/ green spin**. The intensity of green washing varies, sometimes; the partially eco-friendly product is termed as totally eco-friendly. To avoid green spin, the companies should communicate which part/process is eco-friendly rather than communicating that entire product is eco-friendly.

## 9. CONCLUSION

Today, companies have accepted their responsibility to do no harm to the environment. In this aspect, Corporate Environmental Responsibility is an integral part of corporate social responsibility and encompasses environmental commitment and consciousness. In many developed nations, environmental protection agencies have come up with stringent regulations relating to accounting, disclosures of environmental issues and measurement of cost of environmental degradation. This thesis attempts to describe the initiatives taken by selected durable goods manufacturing companies for making the environment clean and green with its objective of establishing low carbon society, establishing a reprocessing-based society, providing environmental protection and establishing a society in harmony with nature. But some of the occasions, it has been noticed that companies are involved in claiming themselves as eco-friendly whereas they are not involved in green activities, hence involving in green washing.

Each and every organization of today has better knowledge about their environmental responsibility. They have realized that mere importance of their own responsibility towards the society and the environment is not sufficient. Many top companies around the globe have launched its footstep towards the environmental responsibility. Environmental degradation taken into its consideration by companies leads to production of new green products. This helps the company to gain sufficient reputation from the public. In turn this will increase its sales volume and profit. Hence, if all the companies make effort to increase its responsibility towards the environment, it can surely help prevent environmental degradation and conserve ecology.

## 10. REFERENCES

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