

Green selling: A Study of Consumers' buying activities in relative to Green commodities

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Abstract:

Environmental problem is a burning topic nowadays as almost every country's government and society has started to be more aware about these issues. This leads to a tendency of green marketing used by the firm as one of the strategies in order to gain profit and protect the environment. Customer's attitudes are changing towards the environment to encourage innovation for conservation and the benefits from this source of innovation are certain to survive our current generation. This paper also focuses on the success of efforts put by marketers in bringing green brands awareness in consumer's mind. It further reviews consumer behavior and impact of marketing communication to identify how consumers are influenced to opt for greener products.

This paper identifies that consumers are not exposed enough to green product marketing communication and suggests the greater use of marketing and brands to promote and sell products that are environmentally friendly and function effectively. The paper suggests that the Indian market for greener products could be exploited more within consumer groups that have pro environmental values. This paper investigates consumer beliefs and attitude on environment protection and their purchasing behavior of eco-friendly products.

Keywords:

Green marketing, Customer's Belief and Trust, Consumer's awareness, Green Brands

Introduction:

The green movement has been expanding rapidly in the world. With regards to this consumers are taking responsibility and doing the right things. Consumer awareness and motivation continue to drive change in the marketplace, notably through the introduction of more eco-friendly products. Compared to consumers in the developed countries, the Indian consumer has much less awareness of global warming issues. Successful marketing has always been about recognizing trends and positioning products, services and brand in a manner that supports buyer intentions. Today, "Green" marketing has moved from a trend to a way of doing business and businesses that sell should recognize (a) the value of going green and (b) incorporating this message into their marketing program and communicating the green concept to their consumers. Green is slowly and steadily becoming the symbolic colour of eco-consciousness in India. The growing consumer awareness about the origin of products and the concern over impending global environmental crisis there are increasing the opportunities to marketers to convince consumers. Firms have increasingly introduced GPIs (Green Product Innovations) into their product developments over recent decades.

This paper examined how consumers' values/beliefs and attitudes, as well as their exposure to influences and information, shape their behaviour and perceptions of product performance, with a particular focus on the influential role of marketing.

Environmentally Sustainable Products

Defining environmentally sustainable products is complex. In a strict sense, there is no such thing as a truly sustainable or green product, as all products we buy, own, use and discard in our everyday lives will have negative environmental impacts at some stage in their lifecycles. However, products can be classified according to the scale of these impacts, and a quality threshold can be drawn (Cooper, 2000). If a product has a low environmental impact, it is regarded as an environmentally sustainable product. Another definition of an environmentally sustainable product, for consideration in this paper, is that products should be readily available for purchase and include those supplied by companies with a reputation for reducing environmental impacts from their manufacturing processes.

Green Marketing and Sustainable Development

The American Marketing Association (AMA) defines green marketing as marketing of products that are believed to be environment-friendly, which organizes into various activities such as product adjustment, modification of production processes, packaging, labeling, advertising strategies as well as increases awareness on compliance marketing amongst industries (Yazdanifard, 2011). According to Business Dictionary, the definition of green marketing is promotional exercises intended at taking benefits of shaping consumer behavior towards a brand. These adjustments are progressively being affected by a company's practices and policies that influence the characteristic of the environment and indicate the standard of its concern for the community. On the other hand, it can be recognized as the promotion of environmentally-secure or advantageous goods (Yazdanifard, 2011). According to the World Commission on Environmental Development (1978), Sustainable Development defines "meeting the needs of the present without compromising the ability of the future generations to meet their own needs. The typical idea during the whole of this strategy of sustainable development is the desire to merge economic and ecological developments in decision making by constructing policies that conserve the standard of agricultural advancement and environmental conservation. The environment conservation for the current and the future generation is what the outcome product of green marketing is. (Vandhana, Karpagavalli, & Ravi, 2013).

Literature Review

Green Marketing

Today, many companies have accepted their responsibility not to harm the environment. So, products and production processes become cleaner and more companies „go green“, because they realize that they can reduce pollution and increase profits at the same time (Hart, 1997, p. 67). Green marketing is a creative opportunity to innovate in ways that make a difference and at the same time achieve business success (Grant, 2007, p. 10). As business activities caused many of the environmental problems in the past and still do, there is increasing recognition that business is vital in the process of a more ecological sustainable society. Companies, especially multinationals, play an essential role in the world economy, and they have also the resources and capacity to put ecological solutions into practice (Tjörnemo, 2001, p. 29). Companies have a responsibility to drive the development towards greater sustainability and becoming greener, so

that a company's aim is to create markets for more environmentally friendly products and services and educate and influence customers to change (Hart, 1997, p. 67). At least two motives for companies to change to more environmentally appropriate strategies and practices are cost saving and the market opportunity potential. Companies can save money by reducing the amount of raw material and energy used in production. Becoming more eco-oriented and offering environmentally friendlier products might result in increased market shares as well as an improved company image and thus, companies gaining first-mover advantages in greening should become more competitive (Tjörnemo, 2001, pp. 29-30). This first-mover advantage however is not sufficient anymore as more companies orient themselves ecological and customers can choose from a variety of eco-labeled products.

The role of marketing has become a matter of discussion as lifestyles and consumption patterns in the industrialized world are a major originator of environmental damage. On the one hand, marketing has been criticized for contributing to the environmental degradation by emphasizing on consumption, consequently contributing to a throwaway society and emphasizing on satisfying short-term consumer or customer wants. On the other hand, marketing can be seen as a significant instrument in order to sell new lifestyles and change overall consumption habits, not only to ecologically concerned consumers. Thus, marketing should contribute to more sustainable forms of society. Marketing has developed and widened its scope towards ecological issues from focusing on the production process, transaction and exchange. There is more than one definition of green marketing (Tjörnemo, 2001, p. 34-36). For example, Peattie (1995, p. 28) defines *green marketing* management as "the holistic management process responsible for identifying, anticipating and satisfying the requirements of customers and society, in a profitable and sustainable way" while Coddington (1993, p. 1) defines it as "marketing activities that recognize environmental stewardship as a business development responsibility and business growth opportunity. However, both definitions entail an overall eco-orientation further than the marketing section, the universal strategy or philosophy.

Environmental sustainability is defined as a management approach that involves developing strategies that sustain the environment and produce profits for the company. It is a crucial but difficult social target and many companies are taking at least some actions to protect and preserve the environment (Armstrong and Kotler, 2007, pp. 509-510). It is also the idea that

environmental objectives are not incompatible with ongoing economic success as it is a step nearer to marketing (Grant, 2007, p. 2).

A *green consumer* is defined by Peattie (2001, p. 187-191) as someone who voluntarily engages in consumer practices that are regarded as environmentally friendly by marketing academics and practitioners. Thus, *green or environmentally friendly activities* deal, for instance, with energy-efficient operations, better pollution controls and recycled materials (Armstrong and Kotler, 2007, p. 509). Eco labels are a main tool used in green marketing. *Eco labels* are defined as labels which identify overall environmental preference of a product or service within a specific product or service range. So, an eco-labeled product is entitled to carry a logo that comes with a claim that the product has been produced in accordance with certain environmental standards. An eco label, in contrast to green symbols or statements, has to consist of three components, namely, the certification standard, an independent accreditation body and independent certification bodies. Eco-labeling schemes demand independent third-party certifications that the product concerned meets the predefined standards, ensuring strict and continuous compliance with the standard by producers. Consequently, the managing label guarantees the correctness of the claim of the eco label (European Commission Homepage).

Karna, J., Hansen, E. & Juslin, H. (2003) interpret that proactive marketers are the most genuine group in implementing environmental marketing voluntarily and seeking competitive advantage through environmental friendliness. The results also give evidence that green values, environmental marketing strategies, structures and functions are logically connected to each other as hypothesized according to the model of environmental marketing used to guide this study.

Donaldson (2005) in his study realized in the Great Britain initially concluded that in general the ecological attitude of consumers changed positively. This study reported the strong faith of consumers in the known commercial brands and in the feeble behaviour referring to the "green" claims, which was the main cause behind the consuming failure to interpret their concerns beyond the environment in their behavior.

Alsmadi (2007) investigating the environmental behaviour of Jordanian consumers reveals a high level of environmental conscience. Unfortunately however this positive tendency and preference in the "green" products does not appear to have any effect on the final decision, obviously because these consumers have a stronger faith in the traditional products and a small

confidence in the green statements. The above obstacles are further strengthened by the lack of environmental conscience by a lot of enterprises and the existence of a large scale of prices for the same product, many of which included an impetuous estimate of environmental responsibility. The same phenomenon has been presented in other researches too (Ottman, 2004; Donaldson, 2005; Cleveland et al, 2005).

Brahma, M. & Dande, R. (2008), The Economic Times, Mumbai, had an article which stated that, Green Ventures India is a subsidiary of New York based asset management firm Green Ventures International. The latter recently announced a \$300 million India focused fund aimed at renewable energy products and supporting trading in carbon credits.

Sanjay K. Jain & Gurmeet Kaur (2004) in their study environmentalism have fast emerged as a worldwide phenomenon. Business firms too have risen to the occasion and have started responding to environmental challenges by practicing green marketing strategies. Green consumerism has played a catalytic role in ushering corporate environmentalism and making business firms green marketing oriented. Based on the data collected through a field survey, the paper makes an assessment of the extent of environmental awareness, attitudes and behaviour prevalent among consumers in India.

Research Objectives

The market of ecological products is growing rapidly at global level. The main objectives of this paper were to investigate the-

1. Consumer beliefs and attitudes on green products.
2. Consumer awareness on the availability of environmentally friendly products.
3. The influence of marketing efforts put by marketers with reference to Consumers

RESEARCH METHODOLOGIES:

A research study was conducted in Bangalore city selecting a sample of 870 households as green consumers. The data was collected through structured questionnaire consisting of open and close ended questions. The secondary data for the review were sourced from various research agencies; research articles both official and unofficial sources. The research study is carried out by adopting descriptive and analytical research design. The data was analyzed with the help of statistical tool like chi-square test.

LIMITATIONS OF THE STUDY:

- Due to time constraints and limited resources, the sampling frame for this study was only limited to 870 respondents
- The study is restricted to Bangalore city only and the result may not be applicable to other places.

DISCUSSION AND ANALYSIS:

Demographic profile of the respondents:

This analytical paper studies the consumer's attitude and their level of acceptability in the few areas of Bangalore city. The age group of the respondents has been set in this study between 20 to 56 years. The parameters like educational qualification, employment status, and income level on monthly basis, marital status; no. of children has been taken into consideration in the process of data collection. Based on the objectives three hypotheses has been undertaken and analyzed by using chi-square technique. An attempt has been made in this paper to illustrate conceptually about green consumerism which is influenced by different variables. After in-depth analysis of the empirical papers, it is been found that, the green consumerism builds a strong association with many parameters, which is projected below in the form of a comprehensive model

Green consumerism has been found as a form of morally motivated consumer behavior, in an association with green approach. So to witness the green approach of the consumer and its implications, the examinations of different factors has become essential. Henceforth in the below comprehensive model a link has been developed between green variables, non green variables, green access, green marketing strategies, green marketing mix, green attitudes and demographics. These factors of society are assumed to set a framework for green consumerism. Structural modeling is performed to assess the importance of those linkages, which proves that there is a strong association between those variables.

HYPOTHETICAL ANALYSIS:

Hypothesis:1

There is no relationship between level of awareness about different dimensions of green products and sources of awareness for their effectiveness in providing information regarding green product.

Communication /level of awareness	More	Moderate	Less	Total
Personal communication	100	150	40	290
Non personal communications	100	100	100	300
Other communications	50	80	150	280
total	250	330	290	870

The calculated value of chi-square is 107.39. The critical value of chi-square at 5 % level of significance with 4 degrees of freedom is given by 9.49. The sample value of the chi-square falls in the rejection region. Therefore the null hypothesis is rejected and it can be concluded that there is a relationship between level of awareness about different dimensions of green products and sources of awareness for their effectiveness in providing information regarding green products.

Hypothesis:2

The marketing strategies used for green products and the impact on consumer behavior for green products are independent

Marketing strategies /level of impact	High	Moderate	low	Total
commercial ads focusing green themes	150	40	100	290
Educational campaigns	100	100	100	300
Certifications	80	150	50	280
Total	330	290	250	870

The calculated value of chi-square is 107.39. The critical value of chi-square at 5 % level of significance with 4 degrees of freedom is given by 9.49. The sample value of the chi-square falls in the rejection region. Therefore the null hypothesis is rejected and it can be concluded that the marketing strategies used for green products and the impact on consumer behavior for green products are dependent to each other.

Hypothesis 3: The product category and the motives behind using the products are independent.

The product category/Motives	Health	Status	Quality products	Total
Organic food	145	35	96	276
Organic clothes	95	95	92	282
Cosmetics and personal care products	75	100	45	220
Electrical appliances	15	60	17	92
Total	330	290	250	870

The calculated value of chi-square is 113.76. The critical value of chi-square at 5% level of significance with 6 degrees of freedom is given by 12.592. The sample value of the chi-square falls in the rejection region. Therefore the null hypothesis is rejected and it can be concluded that product category and the motives behind using the products are dependent.

CONCLUSION

As environmental issues keep on affecting human actions, the public is now considering them with much alarm. Most firms have started using sustainable development structure which is known as green marketing and most of the organizations have accepted green products which are environmentally friendly. Marketing managers can apply green marketing to earn profits. In addition, green marketing is able to safeguard the environment while fulfilling customers' needs. Therefore, green marketing is a means now used by many companies to boost their competitive advantage as people is presently very apprehensive about environmental issues. Even marketers can give training to their employees, especially sales representative. This is to give them knowledge on how to endorse the green product successfully by evidently presenting the main message to the consumers. Green marketing covers a wide range of business activities and it is similar to marketing mix. Therefore, marketers should adopt a suitable single green marketing mix and strategy corresponding to company in which they conduct and target consumers.

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