

Impact of Green Marketing on Consumers Buying Decision

Hridhya. PK*

Padma. R**

Pawan Sharma***

Abstract

India stands at the 33rd position in the list of most polluted country in the world.¹ According to article published by "The Hindu" in the year 2015 India has overtaken China's air pollution levels in 2015 and the average particulate matter exposure was higher for the first time in the 21st century² and 80% of India's surface water may be polluted, report by international body.³

And today the world is filled with various kinds of product. With the growing population the demands for the products have also increase. This has led to the growth of industries across the globe. And with the phase at which industrialization and urbanization has increased the environmental issues have also been increased. Today we live in the world where from the water we drink to the air we breathe is polluted. This has led to the outbreak of various disease.

Therefore it becomes the responsibility the organizations as well as the consumers to contribute towards the betterment of the environment. Has an imitative many company have started to follow the concept of "Green Marketing", where the organizations have started to manufacture product that are environment friendly products. But the question arise that whether consumers are ready to accept these product and if there are aware of the green marketing

Hence in this paper "Impact of green marketing on consumer buying decision" aims at answering the questions; Does green marketing have any influence on the consumer buying decision? Do consumers are aware of the companies that are following green marketing strategies?

Key Words: Green Marketing, Green Product, Eco-friendly Products, Consumer purchase decision.

Introduction

The rapid growth in industrialization has changed the world we live in and the life style of that we follow. As the saying goes "there are two sides to every coin" industrialization is also a boon and curse to the modern

Hridhya. PK*

Faculty at Christ University, Department of Professional Studies, M.Phil, Bangalore

Padma. R**

Faculty Associate, Avagmah, M.Phil, Bangalore

Pawan Sharma***

Project Manager, Institute of Product Leadership, M.Phil, Bangalore

world. The increasing phase of industrialization has also contributed to the various environmental issues that we are facing today. One of the environmental issues is pollution. It can be rightly said that we are living in a contaminated world. Where everything around is contaminated. From the air we breathe to the food we eat. According to article published by "The Hindu" in the year 2015 India has overtaken China's air pollution levels in 2015 and the average particulate matter exposure was higher for the first time in the 21st century⁴ and 80% of India's surface water may be polluted, report by international body.⁵ This has taken a toll on the world already.

Apart from pollution we are depleting many resources like underground water, oil, minerals, and an alarming global warming. Therefore environment has become a huge concern not only to the government body or individuals but also to the companies. The companies felt the need for protecting the environment in which they function and this gave rise to the concept of "Green Marketing." But the question arises whether the concept of Green marketing as effect on consumers decision process because at the end of the day it's the consumers bring the revenue to the company by purchasing the company's products.

The Concept of Green Marketing

The concept of green marketing focuses on protecting the ecology of the environment. It is also known as eco-marketing or environmental marketing. According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising.

Some of the Reasons for Green Marketing are corporate social responsibility on the part of companies, government regulations, Competition with other responsible companies, Goodwill of the company, environment conscious consumers and most importantly for conserving scarce natural resources.

Advantages of Green Marketing:

Companies that develop new and improved products, and services with environment inputs in mind give themselves access to new markets, increase their profit sustainability and enjoy a competitive advantage over the companies that are not concerned for the environment.

Some of the advantages of green marketing are as follows:

1. It ensures sustained long-term growth along with profitability.
2. It saves money in the long run, although initial cost is more.

3. It helps the companies to market their products and services keeping the environment aspects in mind. It helps in accessing the new markets and enjoying competitive advantage.
4. Most of the employees also feel proud and responsible to be working for an environmentally responsible company.
5. It promotes corporate social responsibility.

The marketing strategies for green marketing include marketing audit (including internal and external situation analysis). Develop a marketing plan outlining strategies with regard to the four P's of marketing, Implementation of the marketing strategies and Proper review of results.

Challenges of Green Marketing:

1. Green products require renewable and recyclable material, which is costly.
2. Problems of deceptive advertising and false claims.
3. Requires a technology, which requires huge investments in research and development.
4. Majority of the people are not aware of green products and their uses.
5. Majority of the consumers are not willing to pay a premium for green products.
6. Educating customers about the advantages of green marketing.

Companies such as Tata Motors, Maruti Suzuki, Canon, Toyota, Philips, NTPC and McDonald's follow green marketing. Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing.

Meaning of Green Product:⁶

Green products are...

- Energy efficient, durable and often have low maintenance requirements.
- Free of Ozone depleting chemicals, toxic compounds and don't produce toxic by-products.

- Often made of recycled materials or content or from renewable and sustainable sources.
- Obtained from local manufacturers or resources.
- Biodegradable or easily reused either in part or as a whole.

Green Products in India:⁷

- Wipro Info tech (Green IT) was India's first company to launch environment friendly computer peripherals.
- Samsung, was the first to launch eco friendly mobile handsets (made of renewable materials) – W510 and F268- in India.
- Oil and Natural Gas Corporation Ltd. (ONGC), India's largest oil company, has introduced energy efficient Mokshada Green Crematorium, which saves 60% to 70% of wood and a fourth of the burning time per
- Reva, India's very-own Bangalore based company was the first in the world to commercially release an electric car
- Honda India introduced its Civic Hybrid car.
- ITC has introduced Paper Kraft, a premium range of eco-friendly business paper.
- Indusland Bank installed the country's first solar-powered ATM and thus brought about an eco-savvy change in the Indian banking sector.

Meaning of Consumer Behavior:

Consumer is the study "of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires" (Solomon 1995, 7).

Consumer behavior can be understood as: "The decision process and physical activity individuals engage in when evaluating, acquiring, using, or disposing of goods and services." (Loudon and Della Bitta, 1980).

Factors that Influence Consumer buying decision:

Voss and Parasuraman (2003) suggests that the purchase preference is primarily determined by price

than quality during pre-purchase evaluation. Given explicit quality information, price had no effect on pre-purchase or post consumption quality perceptions. Instead, post consumption quality evaluations had a favorable impact on price evaluations.

The cultural factors also affect the consumer decision. The buying decision of a consumer is influenced by his / her family, friends, the cultural environment one lives in.

To an extent the buying decision is also based on the occupation an individual. For example a female lecturer in a college will be buying sarees which is standard dress code in most colleges and business women in executive level in a MNC firm would buy a suits or formal trousers.

Addition to occupations the economic status also influences the buy decision. A person with high income and saving would not be bothered with price of the product but a person with low income and saving would be very conscious with the price of the products.

And to some lifestyle plays a vital role in their buying decision. These are the people who would buy product depending on the interest, activities.

Apart from all these factors there are many factors that influence the buyer such as personality, the perception of the individual on certain products or brands etc.

Conclusion

Green marketing should not be considered as one more approach to marketing. It has to be pursued with much greater vigor as it has environmental and social impact. With global warming looking largely, it is important that green marketing becomes the norm rather an exception, or just a fad.

Review of Literature

(Maheshwari, 2014) 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. And suggested that the Indian market for greener products could be exploited more within consumer groups that have pro environmental values.

Green product features, green promotion activities and green price affect green purchasing behaviors of the consumers in positive way. Demographic characteristics have moderate effect on model. (Boztepe, 2012)

According to the study conducted by (Laddha and Malviya, 2015) Green Marketing is a tool for protecting the environment though it is not easy to adopt it in short run but in the long run it will have a positive impact on the firm. Green marketing is in its initial stage, a lot of effort is required to gain its full acceptance. It protects our planet from looming global warming crisis, ozone depletion, and deforestation.

The study conducted in East Azerbaijan on Green Marketing and Its Impacts on Consumer Behavior in Sports Shops (Bagheri, 2014) Results shows that a significant relationship between green products features, green promotion, green pricing and green distributing with consumer green behavior; and education, income, and age, but not marital status, gender had a moderating effect on consumer green sports behavior.

Stavros p kalafatis, Michael pollard ,Robert East and Mark H T (1999) so gas in their paper Green marketing and Ajzen's theory of planned behavior : a cross market examination examines the determinants that influence consumer intension to buy environmentally friendly product , finding offer considerable support for the robustness of the TPB in explaining intension of both samples . the theory is more appropriate in well-established market that are characterized formulated behavior pattern .

Ken Peattie and Andrew Crane (2005) in their paper green marketing legend, myth and frace or prophesy? Has found that green marketing has been underpinned by neither a marketing nor an environmental philosophy . five types of misconceived green marketing are identified and analyzed they are green spinning, green selling, green harvesting, enviropreneur marketing and compliance marketing

Research Methodology

The objective of the study

- To find the impact of green marketing on consumer buying decision.

- To understand the awareness on green products that are available.
- To find if people would prefer to shift from normal products to green products.

Sample design

From the purpose of the study the data is collected from 120 respondents in Bangalore through structured online questionnaire. The sample techniques used is a convenient sampling. Statistical tool used to collect the data correlation, chi-square and graphical representation.

Limitation of the study

- The research is confined only to 120 respondent in Bangalore
- The study focuses only from the perceptive of consumer and not the companies' point of view.
- The study doesn't consider demographic factor and income factor.

Data Interpretation and Results of the study

From the data that were collected from 120 respondents it reveals that out 120, 24 respondents all between the age group of 18- 25yrs, 76 respondents between the age group of 25-35yrs, 4 and16 respondents between the age group 35-45 and 45 and above respectively.

The data also reveals that out of 120 respondents, 80 respondents are aware of the concepts Green marketing in Bangalore. And 40 respondents are not aware of the concept, out of these 40 respondents 34 would like to know about the green marketing, It is also noticed that price is the most important criteria that is considered while purchasing a product (40 respondents), followed by brand (30 respondents).

It is found from the data that 56 respondents out of 58 who are aware of the green marketing and green products in market are willing to purchase green products over other products.

30 respondents out of 40 respondents who consider price as an important criteria while purchasing are willing to pay more for the product due to green feature

**Table 1: Shows the Cross table between Awareness of Green marketing and Willing to Pay for Green feature
Aware of green marketing * pay more Cross tabulation**

			Pay more for green feature		Total
			Willing to pay	Not willing to pay	
Awareness of green marketing	Aware of green marketing	Count	62	18	80
		Expected Count	57.3	22.7	80.0
	Not aware of green marketing	Count	24	16	40
		Expected Count	28.7	11.3	40.0
Total	Count	86	34	120	
	Expected Count	86.0	34.0	120.0	

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	4.022 ^a	1	.045		
Continuity Correction ^b	3.206	1	.073		
Likelihood Ratio	3.911	1	.048		
Fisher's Exact Test				.055	.038
Linear-by-Linear Association	3.988	1	.046		
N of Valid Cases ^b	120				

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 11.33.

b. Computed only for a 2x2 table

**Table 2: Shows the Chi Square test
Symmetric Measures**

		Value	Approx. Sig.
Nominal by Nominal	Phi	.183	.045
	Cramer's V	.183	.045
N of Valid Cases		120	

while 10 respondents are not willing to pay more and 16 respondents out of 30 who consider Brand as an important criteria while purchasing are willing to pay more for the product due to green feature while 14 respondents say they are not willing to pay more.

From the Chi-square test used to analysis the H0 that awareness of green marketing had no association with the respondents willing to pay for the product due to

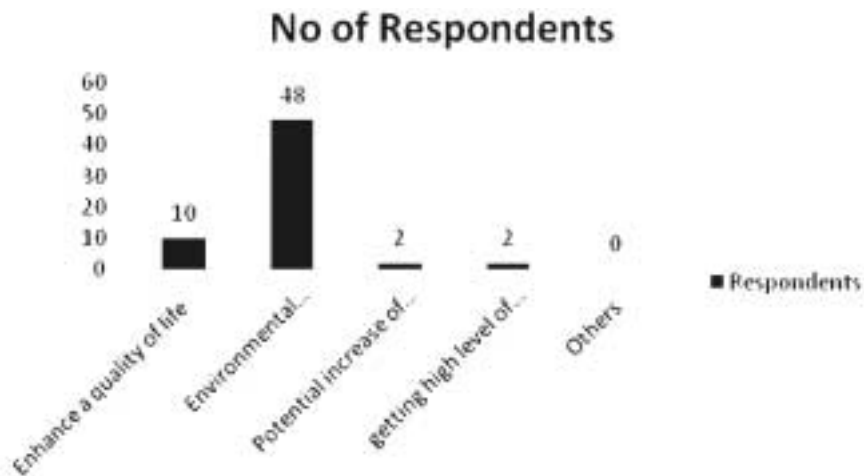
green feature reveals that the chi square value is 4.200 which more than the alpha value at 1 degree of freedom is 3.841. Therefore we reject the H0. Hence the results show that there is a significance association between awareness of Green marketing on willing to pay more for green feature. But the significance is moderate.

From the above table we find that there is a moderate relationship between awareness between green

Table 3: Shows the correlation results between Awareness between green marketing and Awareness of green product in market Correlations

		Aware of green marketing	Aware of Green Product
Aware of green marketing	Pearson Correlation	1	.543**
	Sig. (2-tailed)		.000
	N	120	120
Aware of Green Product	Pearson Correlation	.543**	1
	Sig. (2-tailed)	.000	
	N	120	120

** . Correlation is significant at the 0.01 level (2-tailed).



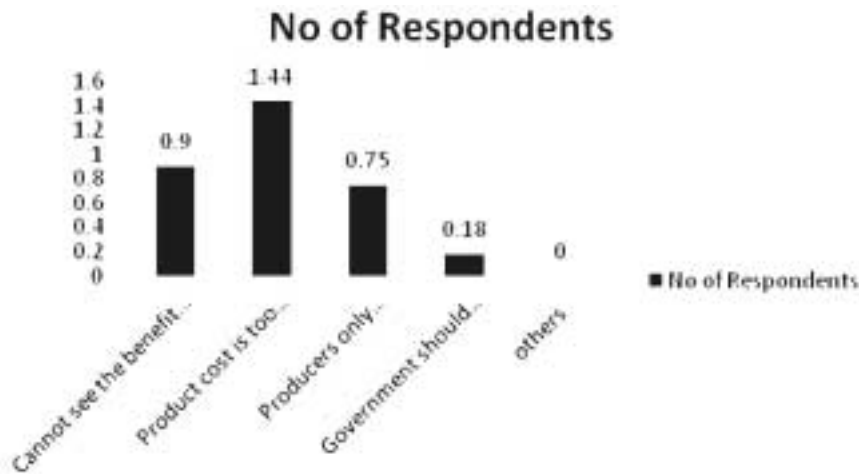
Graph 1: Shows the reason why respondents who are aware of green marketing and who are willing to pay more for green feature are willing to pay more for green product

marketing and Awareness of green product in market (.543). This shows that some people are aware of the green marketing but are not aware of the green products that are available.

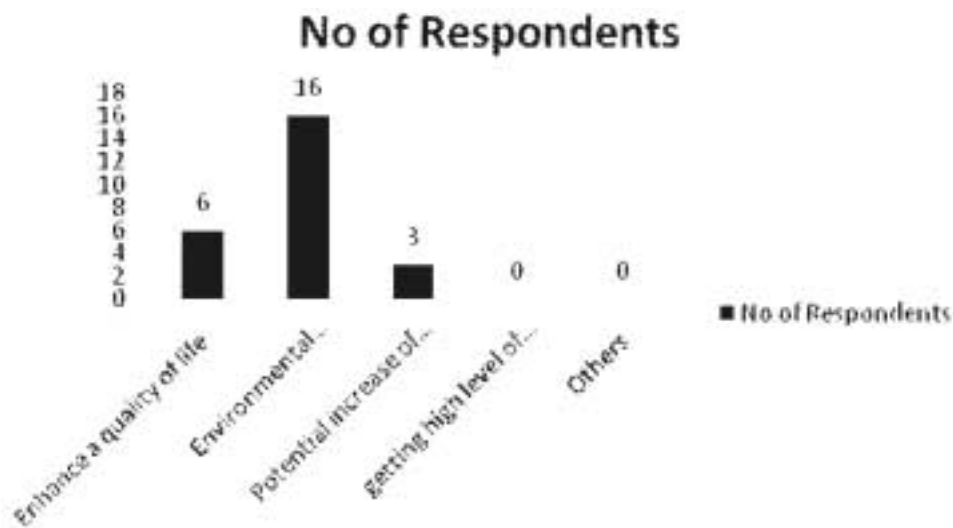
There are 62 respondents who are aware of the concept of green marketing and are willing to pay more prices for green feature. Out of these 62 respondents 48 respondents are willing to pay more because there are concerned about the environment. They feel responsible towards it. Followed by the 10 respondents who feel that green product will enhance the quality of the life.

There are 17 respondents who are aware of the concept of green marketing but are not willing to pay more prices for green feature. 8 out of 17 respondents are not willing to pay more because they feel that the costs of these products are too high.

For the purpose of the above graph we have considered the respondents who consider price as important factor while purchasing the products, among these respondents we have selected the respondents who are aware of green products in market (25 respondents) and are willing to pay more for green products. Out of these 25 respondents have 16 said they are willing



Graph 2: Shows the reason why respondents who are aware of green marketing and are not willing to pay more for green feature are not willing to pay more for green product



Graph 3: Shows the reason why respondents who are aware of green product in market and consider price as an important criteria for purchase are willing to pay more for green product

to pay more because there are concerned about the environment. While 6 respondents who feel that green product will enhance the quality of the life.

Conclusion

The world today is filled with various kinds of product. With the growing population the demands for the products have also increase. This has led to the growth of industries across the globe. And with the phase at which industrialization and urbanization has increased

the environmental issues have also been increased. Today we live in the world where from the water we drink to the air we breathe is polluted. This has led to the outbreak of various disease. Therefore it becomes the responsibility the organizations as well as the consumers to contribute towards the betterment of the environment. Has an imitative many company have started to follow the concept of “Green Marketing”, where the organizations have started to manufacture product that are environment friendly

products. But the question arise that whether consumers are ready to accept these product and if there are aware of the green marketing.

The aim of this paper was to find out the awareness of the concept green marketing, green product and its impact on consumer decision in Bangalore. And to determine the reasons if consumers would pay or not pay extra for the green products

The result of the paper shows that most people are aware of green marketing and green products. And majority of people who are not aware of the concepts are willing to know about it. It is also seen that price is an important factor in consumer buying decision. When price is taken into criteria to see the impact on green marketing, it shows that people don't mind paying more on green products. The study further

reveals that people who are aware of green marketing are willing to shift from normal products to green products.

As shown in the results main reasons for paying more is that feel responsible towards environment by purchasing the eco-friendly product while some don't prefer to pay more because there are costly.

Thus is can be concluded that green marketing is popular among the consumer yet there are many who are not aware of the concepts as well as the products that are available in the market. The study shows that the consumers are ready to accept and buy green products. Therefore companies should try to manufacture eco- friendly product but make sure that they don't price them high because price is an important factor for consumers

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Footnotes

¹https://en.wikipedia.org/wiki/List_of_most_polluted_cities_in_the_world_by_particulate_matter_concentration

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