

A Study of Green Marketing and its Impact on Consumer Preference

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Abstract: As resources are limited and human wants are unlimited, it is important for the marketers to utilize the resources efficiently without waste as well as to achieve the Organizational goal and hence green marketing is inevitable. To forecast consumer environmental conscience, it is necessary to investigate the social demographic variables so that government and the industry can achieve a better policy mapping for the placement of green products and the determination of the strategy of Target marketing –mix that will be the most suitable for the green marketing efforts. The study has been conducted with the help of an interview schedule to collect data from the respondents selected on random sampling basis. Various demographic characteristics of respondents such as age, gender, qualification, marital status, and income have been collected with sample size of 250. It can be concluded that, socio economic variables, concern for environment, green buying preference and opinion on green products etc., influences the respondents buying pattern towards green products.

Keywords: Green Marketing

1. Introduction

The concept of green marketing has become more popular due to the growing concern over environmental degradation. The deterioration of the ecology is a major global concern. Environmentalists in India and abroad are voicing their concern and are campaigning against pollution causing industries. The popularity of Green Marketing is hotly debated. The supporters claim that environment appeals are actually growing in numbers. The energy star label, for example, now appears in 11,000 different companies in 38 product categories, from washing machine and light bulbs to skyscrapers and homes.

As per Mr. J. Polonsky, green marketing can be defined as, "All activities designed to generate and facilitate any exchange intended to satisfy human needs or wants such that satisfying of their needs and wants occur with minimal detrimental input on the national environment."

In simple terms it refers to the process of selling products and/or service based on their environmental benefits. The popularity of Green Marketing is hotly debated. The supporters claim that environment appeals are actually growing in numbers.

A. Why Green Marketing

- Growing concern worldwide about the environment protection.

- Consumers are nowadays more conscious that their consumption impact the environment.
- Manufacturers have recognized environmental concern as a source of competitive advantages.

B. Popular Green Certification

Green Seal, Eco logo, MBDC, Smart Certification by MTSUSDA, Organic Food Energy Star (Energy efficiency) Green-e (Renewable energy).

2. Green Marketing Strategy and Corporate

- *Digital Tickets by Indian Railways:* Recently IRCTC its customers to carry PNR No. of their E-Tickets on their mobiles. Customers do not need to carry the printed version of their tickets anymore.
- *Green IT Projects by State Bank of India:* By using Eco and Power friendly equipment in its 10,000 new ATMs, the leader in public sector bank has not only saved power and earned carbon credits, but also set the right example for the others to follow. SBI is also entered into Green Service known as "Green channel Counter". SBI is providing many services like No Passbook No Deposit Slip, No Withdrawal Slip No Cheque Book, No Money Transaction Form
- *Lead free paints form kanzai Nerolac:* Kanzai Narolac has worked on removing dangerous metals form their paints. Lead in paints poses more danger to human's health, where it can cause damage to nervous systems and other organs including brain.
- *Initiative by McDonald's Fast food giants:* McDonalds communicate with consumers its green campaign with a new selling concept. "Global Best of Green" with innovation including about 80 percent of packaging used by McDonalds Europe comes from renewable resources. In Canada, switching from bleached white napkins to plain brown has saved \$1.3 million per year, while reducing power, wood and water requirement. U.S restaurant location recycles about 13,000 pounds of used cooking oil per year on average.
- *Initiative by Coca-Cola:* As per their recently published sustainable report it claim that the company has distributed more than 10 billion fully recyclable

package made of plant based materials. Coca-Cola reports that 5 percent of its packing material comes from recycled or renewable material. 37 percent of bottles and cans sold by Coca-Cola are recycled.

- *Indian Hotel Company:* Taj chain is in the process of making Eco Room with energy efficient mini-bars, organized bed limes, and napkins made from recycled materials. For lighting and ventilation rooms will have CFLs or LEDs.
- *Green Strategy by Xerox:* Xerox is introducing a high quality recycle photocopies paper to satisfy the demand of firms to reduce the harmful impact on environment.
- Forest and Environment Ministry of India Has ordered to some retail outlets like Big Bazaar, More, Central, D-Mart that they should provide polythene carry bags to those customers only that are ready to pay a price for it.

3. Strategy for Effective Green Marketing

- Award for companies involved in Green Marketing Initiatives
- Loyalty programme for Green Shoppers.
- Promoting Green Festivals
- Carbon Credits to companies engaged in green marketing activities.
- Green Slogans “Think green go green”
- Collection of used products (Scrap)
- Shared Workplace and open office system
- Encourage customers through Contest/ Events/ Green rally
- Avoid false safety claim and Unethical practices in advertising
- Distribute the product available at all places
- Special incentives for Green Consumer.

4. Objective of the Study

1. To evaluate the scope and application of green-marketing strategy
2. To study the consumers buying preference and to explore the consumer’s response and various barriers to buy green product
3. To find out the factors influencing consumers to buy green product.
4. To offer suggestion for the improvement in production and marketing of green products and services.

5. Review of Literature

Chen and Lin (2011) argue that no matter how much the firms become committed to environment or consumer health, corporate social responsibility has become the most important issue in business. Environmental responsible can generate great impact on corporate image and social identity, as well as

marketing activities. Moreover, by handling green marketing well not only the firm can expand its core competence but also improve its market share and customer loyalty.

Chen and Lin (2011) study found that the purchase of green products can be significantly determined by environmental concern of the consumer. In particular, consumers’ environmental concern shows to be closely related to their value systems.

Vlosky et al. (1999) findings shows that consumers may be ready to pay additional price or extra cost to purchase wood products should they have favourable attitude towards products that have environmental certification.

Coleman, Bahnan, Kelkar and Curry (2011) also clarifies that compared with twenty years ago, consumers now are more exposed to green marketing and green products due to increasing awareness to the environment and pollution control initiatives. The study suggests that consumers who understand more about environmental issues are more likely to purchase green products.

6. Research Methodology

The study was conducted in western Mumbai. Primary data were collected through questionnaire and field work. Secondary data were collected from newspapers, business magazines, websites and some important sources of information used in this work. The respondents were selected on the basis of non-probability convenience sampling techniques.

Table 1 shows that most of the respondents belong to the age group up to 30 years. and most of them are female. Education shows that most of them are up to graduation and unmarried. Income of the respondents shows that most of them are with Rs1, 00,001 – 1, 50,000 per month.

Table 1
Profile of the Respondent

1.Age of the Respondents	No. of Respondent	Percentage
Up to 30 years	141	56.40
31-4 Years	45	18.00
41 years above	64	25.60
Total	250	100.00
2.Education	No of Respondents	Percentage
Graduation	110	44.00
Post-Graduation	109	43.60
Professional	31	11.40
Total	250	100.00
3.Gender	No of Respondents	Percentage
Male	106	42.40
Female	144	57.60
Total	250	100.00
4.Marital Status	No of Respondents	Percentage
Married	96	38.40
Un Married	154	61.60
Total	250	100.00
5.Monthly Income (Rs.)	No of Respondents	Percentage
50,000 --1,00,000	75	30.00
1,00,001 – 1,50,000	115	46.00
1,50,001-2,00,000	30	11.00
200,000 & Above	30	11.00
Total	250	100.00

Source: Primary Data

Table 2
Green buying Behavior of Respondent

Particular	Always	Occasional	Never	Total
1.I make special efforts to buy Green product	145 (58%)	80 (32%)	25 (10%)	250 (100%)
2.I always buy product in refillable Pack to conserve resources	159 (63.3%)	46 (18.4%)	45 (18%)	250 (100%)
3.I think, I choose the product that causes the least amount of pollution	167 (66.8%)	48 (22.4%)	35 (14%)	250 (100%)
4.I feel a personal moral obligation to read and compare label and instructions	161 (64.4%)	56 (22.4%)	33 (13.2%)	250 (100%)
5.I think Eco- friendly products requires more promotion to increase awareness	139 (65.2%)	63 (25.2%)	48 (19.2%)	250 (100%)
6. I use environment friendly and biodegradable packaging material.	155 (62%)	76 (30.4%)	19 (7.6%)	250 (100%)
7.I am willing to pay more for green product	138 (55.2%)	95 (38%)	17 (6.8%)	250 (100%)
8. I recommended Green product to my friends, family and colleagues.	172 (68.8%)	54 (21.6%)	24 (9.6%)	250 (100%)

Table 3
Green Products Special Benefits

Particular	S.A	A	N	DA	SDA	Total
1.Green products are more healthier than normal product	111 (44.8)	69 (27.6%)	31 (11.4%)	14 (5.6%)	24 (9.6%)	250 (100%)
2.I am excited about new green product in the market	69 (48.8)	109 (43.6)	52 (20.8)	11 (4.4%)	9 (3.6%)	250 (100%)
3.I believe green products are really different from other products	45 (27.6)	83 (33.2)	65 (26%)	36 (14.4)	21 (8.4%)	250 (100%)
4.I believe marketers use green strategy to boost customer lifestyle	61 (24.4)	90 (36%)	49 (19.6)	34 (13.6)	16 (6.4%)	250 (100%)
5. Companies use green marketing to gain competition and market share.	75 (30%)	71 (28.4%)	27 (10.8%)	49 (19.6)	28 (11.2%)	250 (100%)
6. Green products are costly	85 (34%)	75 (30%)	33 (13.2%)	40 (16%)	17 (6.8%)	250 (100%)

Table 4
Consumer Suggestions for Effective Green Marketing

Particular	S.A	A	N	DA	SDA	Total
1.Encourage customers through Contest/ Events	115 (46%)	75 (30%)	10 (04%)	33 (13.2%)	12 (4.8%)	250 (100%)
2.Loyalty programme for Green Shoppers	110 (44%)	56 (24.64)	37 (16.28)	22 (9.68)	25 (11)	250 (100%)
3.Carbon Credits to companies Engaged in green marketing	80 (35.2)	110 (48.4)	32 (14.08)	17 (7.48)	11 (4.84)	250 (100%)
4.Distribute the product in all the markets	180 (79.2)	30 (13.2)	12 (5.28)	18 (7.92)	10 (4.4)	250 (100%)
5.Collection of used products for recycling	145 (63.80)	55 (24.2%)	12 (5.28%)	13 (5.72%)	25 (11%)	250 (100%)
6.Avoid false s claim and Unethical practices	175 (77%)	35 (5.4%)	12 (5.28%)	11 (4.84%)	17 (7.48%)	250 (100%)
7.Special Incentives for Green Consumer	143 (57.2%)	47 (18.8%)	15 (6.6%)	25 (11%)	20 (8.8%)	250 (100%)

The consumer behavior is defined as the behavior that consumers displays in searching, purchasing using, evaluating and disposing of products and services that they expect will satisfy. In green marketing consumer behavior is determined, to large extent, by social and psychological factors.

Respondents were asked to give their opinion on various statements relating to green products and their buying experience and behavior with green products.

It is found that most of them are found to be environmental conscious. Majority of them are ready to go extra mile to buy and ready to pay more, prefer recommending, purchase refillable pack, and need to have green campaign to create awareness regarding green products.

A. Opinion on green products benefits and positioning

The customer opinion regarding the green products benefits and its various positioning are studied with reference to the six questions identified as follows. These statements are derived to test the general opinion regarding the main reason for buying the green products by the consumer.

It is observed from the response received from the respondents that more than 40% respondents strongly agree that products with green logo and seal are very good in quality and healthier than normal products and also feel that they are excited to know about the new green products introduced in the market. Almost twenty-seven percent (27.6%) strongly agree and thirty-three percent agree that green products are really different and unique. It is also evident from the above

table that, most marketers use green strategy to boost customer lifestyle and offer long-term benefits.

It is found from the various suggestion given above by the consumer that green marketing and green product need to be promoted and distributed very widely and also big promotional initiatives are required to encourage customer's active participation. It is also found that majority of the consumers are in favour of avoiding false claims and be genuine, offering special incentives to attract green shopping. It is necessary to highlight the special features and positioning strategy associated with every green product together with the contribution to environments.

7. Conclusion

The green marketing has become a buzzword of today's marketing practices throughout the world. Its importance now increased in the human being's life. Now the marketers as well as the customers both are showing their concern for green products and eco – friendly environment. So if marketer wants to sustain in this competitive environment they have to move towards the eco – friendly concept. Green marketing has become necessary for the society, so that we can save our environment, fully utilize our natural resources and make earth a healthy planet to live in. Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. It's not only responsibility of marketers for environmental protection, green marketing requires that if consumers want a healthy environment they should ready to pay premium price for it

unless this occurs it will be difficult for firms alone to lead the green marketing revolution. Green marketing assumes even of more significance countries like India. It can be concluded that, socio economic variables, environmental concern attitude, green buying preference and opinion on green products shows that respondents feel responsible with the environmental issues and ready to act accordingly.

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