

An empirical study of consumers' perception towards green products

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ABSTRACT

In the era of fast developing economic and globalization, the consumers have become more concerned and aware about environment. They prefer eco-friendly products. Keeping this concern in mind, nowadays, firms are manufacturing and marketing goods with environmental friendly characteristics. Ecologically responsible firms have realized a competitive advantage over firms with non-environmentally responsible. This results that environmental issues are being integrated into the firm's corporate culture. The green consumers are the main motivating force behind the green marketing process. There has been little attempt to academically examine environmental or green marketing. The present study endeavors to assess consumers' perception towards buying of green products. The results show that all most all the respondents perceive that going green is beneficial and also agree that the green products have a future in India. The people are ready to pay higher prices for green products and they are also ready to switch over to the green products.

Key Words : Green marketing, Eco-friendly, Green products, Ecology, Perception

INTRODUCTION

Environmental issues influence all human activities, and society becomes more concerned with the natural environment. Organizations have begun to modify themselves in an attempt to address society's new concerns. These organizations have started to show concern about the concepts like environmental management systems, waste minimization, green marketing and have integrated environmental issues into all organizational activities. Green Marketing refers to holistic marketing concept wherein the production, marketing, consumption and disposal of products and services happen in a manner that is less detrimental to the environment with growing awareness about the implications of global warming, non-biodegradable solid waste, harmful impact of pollutants, etc. Both marketers and consumers have become sensitive to the need to switch to green products and services. Green marketing is also closely related with the issues of industrial ecology and environmental sustainability such as extended producers' liability. Polonsky (1994) defines green marketing as, all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment. 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 in

How to cite this Article: Kumari, Manjeet (2018). An empirical study of consumers' perception towards green products. *Internat. J. Appl. Soc. Sci.*, 5 (8) : 1262-1268.

the production process, packaging, as well as modifying advertising.

The consumers have become more concerned and aware about environment. They prefer eco-friendly products. Keeping in concern, nowadays, firms are manufacturing and marketing goods with environmental friendly characteristics. Having realized a competitive advantage over firms with non-environmental responsible alternatives, firms with ecologically responsible take this as an opportunity. Many firms have realized that they are members of the wider community and therefore must behave in an environmentally responsible fashion. This results that environmental issues are being integrated into the firm's corporate culture.

There is growing interest among the consumers all over the world for protection of the environment. The green consumers are the main motivating force behind the green marketing process. There has been little attempt to academically examine environmental or green marketing. It introduces the terms and concepts of green marketing, and briefly discusses why going green is important and also examines some of the reason that organizations are adopting a green marketing philosophy.

Review of literature :

Green marketing, also alternatively known as environmental marketing and sustainable marketing, refers to an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment (Pride and Ferrell, 1993).

Walker and Hanson (1998) highlights and discusses green/environmental implications and imperatives associated with destination marketing as distinct from those related to product and services marketing. Prothero (1998) discussed importance of green marketing. This includes; a citation of the need to review existing literature on green marketing, an empirical study of United States and Australian marketing managers, a description of what a green alliance look like in practice in Great Britain, ecotourism and definitions of green marketing. Oyewole (2001) presents a conceptual link among green marketing, environmental justice, and industrial ecology and argues for greater awareness of environmental justice in the practice for green marketing. Crane (2000) stresses on morality issue in relation to Marketing and the Natural Environment. Environmental management systems and green marketing programs have gained increasing popularity in western market economies. They are viewed as cost-efficient, effective and just means of tackling problems associated with the impact of economic activity on the environment (Meriläinen *et al.*, 2000).

The greater ecological enlightenment can be secured through capitalism by using the characteristics of commodity culture to further progress environmental goals. Marketing not only has the potential to contribute to the establishment of more sustainable forms of society but, as a principle agent in the operation and proliferation of commodity discourse, also has a considerable responsibility to do so (Prothero and Fitchett, 2000). The proactive marketers are the most genuine group in implementing environmental marketing voluntarily and seeking competitive advantage through environmental friendliness (Karna *et al.*, 2003). 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 (Alsmadi, 2007). 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).

Environmentalism has fast emerged as a worldwide phenomenon. Business firms have started responding to environmental challenges by practising green marketing strategies. Green consumerism has played a catalytic role in ushering corporate environmentalism and making business firms' green marketing oriented (Jain and Kaur, 2004).

Now, world is moving towards an environmental turmoil. The only way to save our planet is going green. Green marketing is a relatively new phenomenon which has arisen as a result of increasing awareness among masses. Green marketing, which is also termed as environmental or sustainable marketing, is the effort made by any business organization, large or small to design and promote products that are eco-friendly. Mostly all the industries are producing green products because there is a new market, new customer taste, pressure of social responsibility and many other reasons. In today's era, consumers are becoming more conscious about their health and environment too. So the consumers' awareness helps in choosing right product which protects individual from exploitation. So there is an opportunity for the companies in future for green products. Therefore focus of this study remains on the consumer perception regarding green products as well as gender difference as a predictor for perception of buying green products.

Objectives of the study :

- To understand the consumer perception relating to green products.
- To know the reasons behind buying green products.
- To analyze the gender difference as a predictor for perception of buying green products.

METHODOLOGY

This study is based on exploratory-cum-descriptive Research. The primary data has been collected with the help of a structured questionnaire. The study population consists of 50 number of students, faculty members and non-teaching staff from various colleges in the districts of Bhiwani and Charkhi Dadri in Haryana. The secondary data with respect to green products and its marketing issues was collected from various journals, records and from newspapers, magazines and internet.

RESULTS AND DISCUSSION

The data collected through questionnaire were coded and tabulated considering the objectives of the study. The data was further analysed by calculating the percentage, t-test and correlation analysis using SPSS (Table 1).

In order to understand the difference in perception regarding "green products" with respect to gender, "t" test was applied and the results are displayed in the table. There is only one variable on which the perception of males and females differed with respect to green products. The variable related to whether marketing element strongly influences to buy green product the 't' value was 2.211 with a two tailed significance value of 0.032, significant at 95 percent level of confidence. Though all the elements of marketing were held importantly by fifty percent of the respondents, the fifth 'P' of marketing that is packaging was weighed more significantly by the females in comparison to males who gave more weightage to the aspects of product and availability. Promotion was another dimension which influenced the female respondents more than their male counterparts (Table 2).

The inter item correlation table along with Pearson correlation coefficient values are shown

Table 1 : Demographic Details		
	Frequency	Percentage
Gender		
Male	21	42
Female	29	58
Total	50	100
Age		
15-20 years	10	20
20-25 years	30	60
25-30 years	5	10
30-40 years	4	8
above 40 years	1	2
Total	50	100
Education		
High School	4	8
Bachelor	14	28
Masters	31	62
PhD	1	2
Others	0	0
Total	50	100
Occupation		
Student	39	78
Serviceman	10	20
Others	1	2
Total	50	100

above in Table 3. The coefficient values clearly indicate significant correlation among the specified items at 0.05 level of significance. It is evident from the table above that mostly all the respondents who agree that there is a benefit for going green and also agree that the green products have a future in India. The people are ready to pay higher prices for green products and they are also ready to switch over to the green products if affordability is taken care of.

Findings :

Most of the respondents *i.e.* 96% are aware about the eco friendly products, only 4% are not aware. 72% respondents are willing to pay extra price for green products if the green features increase the price of the product. 56% respondents are willing to pay extra price for the green products due to environment protection responsibility and other due to high level of satisfaction and enhance a quality of life.

66% people agreed that if the companies will produce green products then it will be a beneficial investment in long run. Most of the people *i.e.* 90% are agreed that if a newly launched green product is available at the same price as a well known non green product then they will be ready to switch over to the green product. It is found that mostly all the people will recommend green products to their family and friends *i.e.* 98%. 96% people think that the green products have future in India.

Table 2 : Gender Perception on Green Products (T-Test Results)

	Male		Female		t' value	Sig
	Mean	SD	Mean	SD		
1. Are you aware of "green products" or Eco-friendly products?	1	0	1.1	0.51	1.22	0.228
2. How do you become aware of "green products" or Eco-friendly products?	2	1.22	2.2	1.11	0.622	0.537
3. If green features increase the price of the product, are you willing to pay more?	1.38	0.8	1.68	0.96	1.193	0.239
4. Do you think there is enough information about "green" features when you buy the product?	1.52	0.51	1.58	0.5	0.431	0.669
5. What is the main reason that makes you willing to pay more for the "green" products?	2.23	0.83	2.24	1.12	0.011	0.991
6. Why do you think green marketing is in headlines now-a-days?	1.71	0.95	1.82	0.88	0.431	0.668
7. Which marketing element strongly influences you to buy green products?	4.14	1.31	3.1	1.83	2.211	0.032*
8. Going green could be a beneficiary investment in long run.	1.61	0.49	1.75	0.51	0.964	0.34
9. If a newly launched green product is available at the same price as a well known existing non-green product, are you willing to switch over to the green product?	1.14	0.35	1.06	0.25	0.849	0.4
10. Do you think giving attractive credit schemes/tax rebates on green products would help promoting them?	1.095	0.3	1.069	0.25	0.332	0.742
11. Would you recommend green products to your friends and family?	1.04	0.218	1	0	1.18	0.244
12. Do you think green products have future in India?	1.04	0.2182	1.03	0.185	0.229	0.82

Table 3 : The inter item correlation analysis

		VCorrelation			
		Going Green could be a beneficiary investment in long-run	Do you think green products have future in India?	If green features increase the price of the product, are you willing to pay more?	If a newly launched green product is available at the same price as a well known existing non-green product, are you willing to switch over to the green product?
Going Green could be a beneficiary investment in long-run	Person Correlation	1.000	.327*	.285*	.333*
	Sig. (2-tailed)	-	.021	.045	.018
	N	50	50	50	50
Do you think green products have future in India	Person Correlation	.327*	1.000	.100	.272
	Sig. (2-tailed)	.021	-	.490	.056
	N	50	50	50	50
If green features increase the price of the product, are you willing to pay more?	Person Correlation	.285*	.100	1.000	.238
	Sig. (2-tailed)	.045	.490	-	.097
	N	50	50	50	50
If a newly launched green product is available at the same price as a	Person Correlation	.333*	.272	.238	1.000
	Sig. (2-tailed)	.018	.056	.097	-
	N	50	50	50	50

* Correlation is significant at the 0.05 level (t-tailed)

Conclusion :

Consumers today are much more concerned about climatic changes than they were even few years ago. Moreover, they are expecting their favorite brands not only to share their concern but to take action (or enable their consumers) to mitigate it. The earlier perception of industry towards green marketing was that the pressure for making business environment green and behaving in a more responsible manner especially comes from Government and its legislations. Now that old perception is changing throughout the globe as studies performed on consumers reflect that in most countries consumers are becoming more aware and willing to act on environmental concerns. There is a radical change in consumer preferences and life styles. They prefer environment friendly products over others and many a times are ready to pay a little extra price for such green products. Due to this shift from traditional marketing to green marketing, companies these days are facing many new challenges.

Now this is the right time to select “Green Marketing” globally. It will come with drastic change in the world of business if all nations will make strict rules because green marketing is essential to save the world from pollution. From the business point of view because a clever marketer is one who not only convinces the consumer, but also involves the consumer in marketing his product. With the threat of global warming looming large, it is extremely important that green marketing becomes the norm. Finally, consumers, industrial buyers and suppliers need to pressurize effects on minimizing the negative effects on the environment. Green marketing assumes even more importance and relevance in developing countries like India.

The Environmental problems in India are growing rapidly. The increasing economic development, rapid growth of population and growth of industries in India is putting a strain on the environment, infrastructure and the countries natural resources. Industrial pollution, soil erosion, deforestation, rapid industrialization, urbanization, and land degradation are all worsening problems. Environmental pollution is one of the most serious problems facing humanity and other life forms on our planet today. So it's the right time to implement the Green Marketing in India. Green Marketing makes drastic change in the business not even in India but save the world from pollution. Corporate should create the awareness among the consumers, what are the benefits of green as compared to non green ones. In green marketing, consumers are willing to pay more to maintain a cleaner and greener environment. Consumers, industrial buyers and suppliers need to pressurize effects on minimize the negative effects on the environment-friendly. Green marketing assumes even more importance and relevance in developing countries like India.

Successful green marketing entails much more than simply tweaking the size of a package, using recycled materials in place of virgin ones, or substituting natural ingredients for synthetic. While positive and necessary, such changes are just a small part of a much, much bigger picture. When we look at the businesses that are at the forefront of the green trend, we see a deeper characteristic than just greened-up products or ads that makes them at once environmental and societal leaders as well as profitable: green leaders are driven by more than short-term financial goals. They are motivated by a double bottom line, a bottom line that recognizes the potential for business to affect societal change as well as create economic wealth. A business that at the end of the day is measured by profits as much as its contribution to human potential and the harmony of the company's objectives with other living beings.

Green marketing is considered as an instrument to bring about societal and environmental changes. This study focused on the concept of green marketing and to find out the perception of consumer related to green products. There are various factors which affect in purchasing green

products like price, value for the product, promotional offers and many others.

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