

A Study on the Impact of Green Marketing Practices on Consumer Buying Behavior in Twin cities

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Abstract : With the growing awareness among people about environmental issues, green marketing has gained its importance. Consumers and manufacturers have turned their attention towards eco-friendly products that are presumed to be "green" or environment friendly like organic foods, recyclable paper, etc. Companies started adopting green marketing and are producing green products that have less harmful effects on the environment, than the conventional products. Consumers are becoming more and more aware of the environmental problems and are actively trying to reduce their impact on the environment by purchasing green products and moving towards a greener lifestyle. This research study tries to determine whether the consumer purchasing decisions in Twin cities are influenced by the green marketing practices undertaken by the companies. A sample of 100 respondents was selected in both Hyderabad & Secunderabad together, and a questionnaire was used to collect the primary data. Descriptive Statistics (Mean, Standard Deviation and Percentile) and independent t-test with the help of SPSS version 16.0 have been used in this study for analyzing the primary data. The results of the study highlight that the consumer purchasing decisions in Twin cities are not influenced by the green marketing practices undertaken by the companies. However, the consumers are willing to pay a higher price for the 'green' products, if these eco-friendly products provide an extra value to them.

KEYWORDS: Environment friendly, Green Marketing, Green Products, Consumer Purchasing Decision.

I. INTRODUCTION

The key challenge for companies and customers today is to protect the earth's natural and finite resources. Production and consumption of goods all over the world has led to the emergence of a large number of environmental problems. Many studies proved that our planet is in danger of Global Warming. As a result, companies are focusing on green marketing and are producing eco-friendly or green products that have less harmful effects on the environment, than the conventional products. Companies nowadays are adopting green strategies into their marketing activities to achieve a competitive advantage in the saturated markets. 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 color of eco-consciousness in India. Thus, we see that both the marketers and the consumers are nowadays focusing on green products and services. Although in the short run, a company may find it expensive to shift towards the "green" approach, in the long run, it will definitely prove to be advantageous for the company, in terms of cost also. We can assume that consumers will view the "greenness" of a product or services as a benefit and so their buying decisions will be based on this aspect.

"Green marketing is the marketing of products that are presumed to be environmentally preferable to others. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, sustainable packaging, as well as modifying advertising".

II. OBJECTIVES OF THE STUDY

As companies today are integrating appropriate green strategies into their marketing activities in order to achieve a competitive advantage in the saturated markets, there arises a need to understand whether the consumer purchasing decision are influenced by the green marketing practices undertaken by the companies.

1. To study whether the consumer purchasing decisions in twin cities are influenced by the green marketing practices undertaken by the companies.
2. To study the green marketing mix.
3. To understand the challenges faced by companies nowadays while pursuing green marketing activities.

III. NEED FOR THE STUDY

Green marketing has now evolved as one of the major area of interest for marketers as it may provide competitive advantage. But it requires investment in terms of technology enhancement, process modification, communicating benefits to customers etc. However, not much research with respect to green marketing has been done in India and there is question about the awareness of green products among consumers. As green marketing is different from the marketing in traditional way, marketers need to know the factors that persuade the consumer to buy the green products. This study aims

to understand the factors that influence the consumer purchasing decision of green product.

IV. REVIEW OF LITERATURE

Oyewole, P. (2001). In his paper presents a conceptual link among green marketing, environmental justice, and industrial ecology. It argues for greater awareness of environmental justice in the practice for green marketing. A research agenda is finally suggested to determine consumers awareness of environmental justice, and their willingness.

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.

V. RESEARCH METHODOLOGY

Research Design

An exploratory research design and a quantitative research approach have been undertaken in this research study. Secondary data were initially collected from books and the internet, and then a well structured questionnaire was prepared for collecting the required primary data. A convenience sampling method of has been adopted in this research study and the samples have been drawn from 100 respondents, in the Twin cities. Descriptive Statistics (Mean, Standard Deviation and Percentile) and independent t-test with the help of SPSS version 16.0 have been used in this study for analyzing the primary data, which is collected with the help of the self-administered questionnaire.

Hypothesis formation

The null hypothesis (H0) for this research study is stated as:

H0: The consumer purchasing decisions in twin cities are not influenced by the green marketing practices undertaken by the companies.

The alternative hypothesis (H1) is stated as:

H1: The consumer purchasing decisions in twin cities are influenced by the green marketing practices undertaken by the companies.

VI. DATA ANALYSIS

Are the consumer purchasing decisions in Twin cities are influenced by the green marketing practices undertaken by the companies:

The following table highlights the mean and standard deviations of the responses generated towards the following issues:

- ✓ Whether the respondents feel that companies should undertake green marketing activities.
- ✓ Whether the respondents are willing to pay an extra price for the “green” products.
- ✓ Whether the respondents purchase behavior is affected by the green marketing activities of the companies
- ✓ Whether the respondents are willing to repurchase the “green” products

Statistics

		Green Activities	Pay extra price	Purchase Decision	Rebuy
N	Valid	100	100	100	100
	Missing	0	0	0	0
Mean		3.21	2.44	3.28	2.56
Std. Deviation		1.431	1.373	1.393	1.175
Range		4	4	4	4
Minimum		1	1	1	1
Maximum		5	5	5	5

Green_Activities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	18	18.0	18.0	18.0
	Agree	15	15.0	15.0	33.0
	Neutral	19	19.0	19.0	52.0
	Disagree	24	24.0	24.0	76.0
	Strongly Disagree	24	24.0	24.0	100.0
	Total	100	100.0	100.0	

Table above highlights that only 33% of the total number of respondents agree, or strongly agree that the companies should undertake green marketing activities.

Pay_extra_price

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	33	33.0	33.0	33.0
	Agree	26	26.0	26.0	59.0
	Neutral	17	17.0	17.0	76.0
	Disagree	12	12.0	12.0	88.0
	Strongly Disagree	12	12.0	12.0	100.0
	Total	100	100.0	100.0	

Table above shows that the majority buyers are willing to pay an extra price for the „green“ products offered by the companies.

Purchasing_decision

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	16	16.0	16.0	16.0
	Agree	14	14.0	14.0	30.0
	Neutral	20	20.0	20.0	50.0
	Disagree	26	26.0	26.0	76.0
	Strongly Disagree	24	24.0	24.0	100.0
	Total	100	100.0	100.0	

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Purchasing_decision	Equal variances assumed	.602	.441	-1.231	57	.223	-.428	.347	-1.124	.268
	Equal variances not assumed			-1.246	55.833	.218	-.428	.343	-1.116	.260

GREEN MARKETING MIX:

When new innovations are developed by companies such as eco friendly products, the companies gain entry into new markets, they enhance their total market shares, and they also increase their profits. The 4Ps of the green marketing mix are as follows:

Table above highlights that the purchase decisions of 70% of the respondents are not affected by the green marketing activities undertaken by the companies, and the purchase decisions of only 30% of the respondents are affected by the green marketing activities undertaken by the companies.

Repurchase

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	22	22.0	22.0	22.0
	Agree	27	27.0	27.0	49.0
	Neutral	31	31.0	31.0	80.0
	Disagree	13	13.0	13.0	93.0
	Strongly Disagree	7	7.0	7.0	100.0
	Total	100	100.0	100.0	

Table above highlights that 49% of the consumers prefer to repurchase the green products while 51% are not willing to repurchase the green products.

Table below highlights that the value of the test is significant, i.e., $p > 0.05$. Hence we accept the null hypothesis (H0) and reject the alternative hypothesis (H1). We conclude that consumer purchasing decisions in Twin cities are not influenced by the green marketing practices undertaken by the companies.

Product: While developing the green products, companies must ensure that they reduce the pollution and overall resource consumption and they must focus on increasing the conservation of scarce natural resources.

Price: Companies must offer “green” products that provide an extra value to the consumers, as the majority of the consumers will only pay an extra amount of

money if they perceive that there exists an extra product value. This value may be due to certain aspects like better visual appeal, better functions, improved performance, better design, or better taste. The companies must always try to take all these aspects into account while charging a premium price for their “green” products.

Promotion: The companies must focus on developing advertisements that promote a greener and eco-friendly lifestyle by highlighting a product or service and advertisements that depicts a positive corporate image environmental responsibility. Moreover, advertisements that highlight a relationship between the “green” product and the environment as a whole also fall under the promotion element of the green marketing mix.

Place: The companies must ensure that their “green” products are available at the stores. Unavailability of the product during peak demand periods may become the worst enemy of the company. Moreover, the fact that very few people will go out of their way to buy such “green” products must also be taken into consideration by the companies offering such “green” products in the market.

CHALLENGES OF GREEN MARKETING:

Now-a-days there exists many organizations who want to associate themselves with green marketing, to enjoy the benefits from the several advantages of the green marketing. But they have to overcome number of problems associated with green marketing, which are as follows:

- ✓ Organization face problem in ensuring that their actions are not misleading customers or does not violate any regulations.
- ✓ Organization faces problem in clearly stating environment benefits.
- ✓ Organization faces difficulty in establishing policies which will deal with all environmental issues.
- ✓ Organization face risk that may be the current environmentally responsible actions can have adverse future effects.
- ✓ Higher costs are involved in the production and promotion of eco-labelled products and services.
- ✓ Customers are not fully aware about the availability, usage and benefits of eco-labelled products.
- ✓ Customer lacks confidence on eco-labelled products and services, as they hesitate in using something new.

- ✓ Green marketing practices involve lengthy and complicated process.
- ✓ Green marketing requires huge capital investment.
- ✓ Green marketing needs high-tech tools and techniques of production and distribution.

VII. FINDINGS

Green marketing is the new concept being adopted all over the world. This research study helps to highlight that the consumer purchasing decisions in Twin cities are not influenced by the green marketing practices undertaken by the companies, however the majority of the buyers are willing to pay an extra amount for the green products offered in the market, if these products provide an extra value to them. Furthermore, the majority of the consumers are not willing to repurchase the “green” products again from the market. In order to achieve competitive advantage in the market, companies must utilize the 4Ps of the green marketing mix appropriately and they must overcome the challenges of integrating appropriate green strategies into their operational activities, product development processes, and marketing activities.

VIII. CONCLUSION

More research needs to be undertaken on different aspects of green marketing as it is still in its infancy in India. When companies adopt green marketing activities, they should ensure that the economic aspect of marketing is not neglected. Thorough understanding of the implications of green marketing activities must be undertaken by the companies so as to ensure that they achieve competitive advantage in the markets.

The companies must keep in mind that the consumers are very much concerned about the environmental issues cropping up in the country and they are very much willing to pay a premium price for the “green” products, if these eco-friendly products provide an extra value to the consumers. Companies can command a higher price if they can enhance the product’s performance and offer extra product value by providing better visual appeal, better functions, improved performance, better design, or better taste. Thus, companies must try to locate these opportunities and must take advantage of them.

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