



CONSUMERS PERCEPTION ON GREEN MARKETING: AN EMPIRICAL STUDY OF CONSUMER BUYING BEHAVIOUR TOWARDS ECO-FRIENDLY FAST MOVING CONSUMER GOODS IN ANDHRA PRADESH, INDIA

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ABSTRACT

KEYWORDS:

Consumers Perception, Green Marketing, Consumer Buying Behaviour, Consumer Goods

Recently, concerns have been expressed by manufacturers and customers about the environmental impact of products. Consumers and manufacturers have directed their attention toward environment friendly products that are presumed to be “green” or environment friendly like low power consuming (energy-efficient) electrical appliances, organic foods, lead free paints, recyclable paper, and phosphate free detergents. Indian marketers are also realizing the importance of the green marketing concept. Although a variety of research on green marketing has been conducted across the globe; little academic research on consumer perception and preferences has been carried out in India. This research provides a brief review of environmental issues and identifies the green values of the consumers, their level of awareness about environmental issues, green products and practices. This paper highlights the consumers’ perception and preferences towards green marketing practices and products with the help of a structured questionnaire. A study was conducted on 500 respondents. High level of awareness about green marketing practices and products was found among the consumers. Green values were also found to be high among the respondents. Research has given good insights for marketers of the green products and suggests the need of designing the marketing communication campaigns promoting green products due to high green value among the consumers.

1. INTRODUCTION

Businesses need to constantly assess the latest and most attractive marketing trends. Marketing trends can be found out by continually researching about the changes in consumer behavior in the marketplace. By identifying the changes in the consumer behavior, the businesses can modify their offering to the consumers. Consumers today are more concerned about environmental degradation and negative impact of their uses of product and services on environment. The reason for this concern could be visible climatic changes, global warming and increasing air and water pollution. Thus using green marketing by the organizations not only provides an opportunity to meet consumer expectations and address their environmental concerns, but also to gain a competitive advantage and a strong consumer base.

Green marketing is also termed as environmental marketing or ecological marketing. According to American Marketing Association, marketing of products that are presumed to be environmentally safe is called as Green Marketing. Thus wide range of activities are covered under

green marketing, which includes modifying the product, making changes in the production process and packaging, as well as modifying advertising or removing any activity that impacts the environment in negative way. Today, the Earth faces more environmental issues than ever before, hence it is imperative for companies to make and market them as environment friendly. Green marketing is emerging as a popular promotional strategy owing to increased consumer awareness and concerns. The concept of green or ecological marketing calls upon businesses to follow ethical and green practices while dealing with customers, suppliers, dealers, and employees. Companies have started marketing themselves as green companies. Even the Public Sector Units and state governments are now paying a lot of attention towards environmental issues such as global warming, pollution, or water contamination and have started taking steps to prevent environmental pollution. In a recent survey conducted by *National Geographic Society* and the international polling firm *Globescan* (2010) to determine consumers’ green attitude called “Consumer Greendex”, the top scoring consumers were

in the developing economies of India, Brazil and China while industrialized countries ranked at the bottom. Consumers showing the largest increase in environmentally sustainable behavior were in India, Russia and the United States (Howe et al., 2010). A company to be successful in green marketing requires to be committed to operate in environmentally friendly ways.

1.1. GREEN PRODUCTS AND MARKETING PRACTICES

Actually there is no consensus on what exactly is green. There is no accepted definition of green product. However based on different definitions of green marketing, some common characteristics of products generally accepted as green, including the products are:

1. Energy efficient (both in use and in production).
2. Water efficient (both in use and in production).
3. Low emitting (low on hazardous emissions).
4. Safe and/or healthy products.
5. Recyclable and/or with recycled content
6. Durable (long-lasting).
7. Biodegradable.
8. Renewable.
9. Reused products.
10. Third party certified to public or transport standard (e.g., organic, certified wood)
11. Locally produced.

Many consumer durable companies are now marketing their products with Energy Star Label stating that their use will reduce the energy consumption and consumers can save a lot of money on electricity consumption over a period of time. For example, Godrej Consumer Products is marketing its product through green marketing and gives additional incentive to buyers to exchange their old products with latest green and environmental friendly products. The advertisements try to persuade the buyers to adopt a green lifestyle and contribute in development of a greener planet. NDTV a major media group promotes green values through its campaign Greenathon. NDTV Greenathon as they call it organizes various philanthropic and social activities to raise awareness regarding environmental issues at the same time contribute to the social causes like electrification of rural areas etc. Philips is marketing its Compact Fluorescent Light (CFL) as "Marathon", highlighting its new "super long life" and energy efficiency. Many companies are now offering more eco-friendly alternatives for their customers; re-cycled products are one of the most popular alternatives that benefit the environment. Companies are now focusing on not to use plastic bags, instead they use carry bag made up of recycled paper (for example, Titan, Tanishq have made a corporate policy that the goods will be delivered or given to customers only in the carry bags made out of recycled paper). Idea Cellular Limited also launched an advertisement stating saving trees towards their corporate social responsibility. Kansai Nerolac Paints is marketing themselves as green as they have removed hazardous heavy metals from their paints and are marketing their lead free paints in India. Dell focuses on producing green IT products under their strategy called "Go Green with Dell". Dell products are also coming in eco-friendly packaging with a system recycling kit bundled along. They are also focusing on green innovations from data-center efficiency to the use of eco-friendly materials for everything from chassis design to product packaging.

Efforts are being made at government and industry level to protect environment. In India Environment Protection Act in was implemented in 1986 and Environment Audit in 1992 for the protection of the environment. New Delhi, Indian capital, was one of the most polluted cities until Supreme Court of India intervened to change to alternative fuels. In 2002, Supreme Court issued a directive to completely adopt CNG in all public transport systems to curb pollution. Many greenhouse gas reduction markets have emerged over a period of time that can catalyze projects with important local, environmental, economic, and quality-of-life benefits. Kyoto Protocol's Clean Development Mechanism (CDM) is one of the steps towards greenhouse gas reduction. In the construction industry, builder lobby are now using *fly ash bricks* to reduce soil erosion due to manufacturing of traditional bricks. They are also using solar panels to generate electricity for common passage lighting, elevators to reduce the traditional electricity consumption. Footwear Design and Development Institute (FDDI) is focusing on re-use of tyres, using unconventional methods and innovatively creating footwear and accessories from old and recycled tyres. Green products have also proven to be recession proof through the economic downturn of 2008 and 2009. According to a Datamonitor study in the first six months of 2009 there were over 500 new product launches of goods that claim themselves as eco-friendly.

2. NEED FOR THE STUDY

The social shift towards demonstrating environmental problems and engaging in environmental activities described in the previous section highlights the present need for the study. During the early seventies and certainly the nineties, far fewer consumers' evaluated their consumption choices based on their environmental impact. In addition, significantly fewer environmental friendly alternatives were available in fewer product categories and the majority of research efforts focused on behaviour not related to the purchase and consumption of goods in the traditional sense, but rather behaviour such as government involvement and energy conservation. Most of the recent environmental study in consumer behaviour tends to focus on post-purchase behaviour like recycling and waste disposition, leaving a gap in progress towards an understanding of the impact of environmental issues on green product purchase decision and the drives for the consumption decisions, that they make. The dietary and lifestyle behaviour of today's consumers' have in fact become increasingly selective and oriented by their willingness to invest large sums in purchasing organic products and other quality lifestyle products like green electronics and green vehicles as well, which show significant progress in terms of becoming more environmentally friendly categories. There are still significant areas of the consumer goods market in which few green alternatives exist. Therefore, most of the companies are launching green products with focus on the consumer expectations. It is not known how far the consumer expectations are met by the marketers of green products. To fill the void, this study is taken up, in Vijayawada city of Andhra Pradesh. Further, the study was carried out with following objectives.

3. OBJECTIVES OF THE STUDY

The main aim of the study is to find out whether the personal characters of the consumers that influences green product consumption. The study will also try to shed light on consumer's attitude, awareness and satisfaction level of

consumers. The other objectives of the study are:

- 1) To know the consumer attitude towards Green FMCG products.
- 2) To know the awareness level of consumers about the green FMCG products
- 3) To know the factors influencing the purchase of Green FMCG Products
- 4) To know the awareness level and attitude of consumers towards green marketing
- 5) To offer some suggestion for betterment of environment.

4. HYPOTHESES

The above objectives require the following hypothesis to be tested.

- There is no relationship between the gender of the consumer and consumer attitudes between environmental degradation and usage of green FMCG products
- There is no relationship between the income of the consumer and consumer attitudes between environmental degradation and usage of green FMCG products
- There is no relationship between the age of the consumer and consumer attitudes between environmental degradation and usage of green FMCG products
- There is no relationship between Consumer attitudes such as Green Products usage is the status symbol in the society, Green Products do not create any harm to society, health, create any pollution, Green Products prefer by consumer near future, availability, can be easily identify, costlier one and availability of the products and frequency of purchase of the products.

5. SCOPE OF THE STUDY

Green marketing is inevitable for the attainment of vision and mission of an organization with sustainability. Various studies by environmentalists indicate that people are concerned about the environment and are changing their behaviour patterns. Most of the consumers', both individual and industrial are becoming more alarmed about green products and green product line for their safe and sustainable future. Now, it is the era of recyclable, non-toxic and environment-friendly goods. This has become the new mantra for marketers to satisfy the needs of consumers' and earn better profits with a social benefit. The study will help to address the problems and challenges associated with reaching the environmentally friendly consumer; thereby providing opportunities for manufacturers and retailers of green products. As the green market continues to grow, an understanding of the consumer who is populating it will be a critical success factor for many firms. This study will help to know what really a consumer expects from marketers of green products and also their readiness in accepting those products which are environmental friendly and minimize the environmental degradation in future.

6. METHODOLOGY AND MEASUREMENT

Both primary data secondary data have been collected for the study. Primary data are collected from the 500 consumers from Vijayawada city of Andhra Pradesh. The sample consumers are selected using convenient random sampling method. The secondary data have been collected from books, journals and websites. Chi square test is used to know the relationship between the personal characters and the level of awareness and the attitude of the consumers.

7. RESULTS AND DISCUSSIONS

The findings of the primary data have been analyzed and given in the following tables.

Table - 1: Demographical Profile of the Respondents

| Particulars | | No. of Respondents | Percentage of Respondents |
|----------------------------|--------------------|--------------------|---------------------------|
| Age (in years) | 18-30 | 176 | 35 |
| | 31-40 | 260 | 52 |
| | 41-50 | 34 | 7 |
| | 51-60 | 20 | 4 |
| | Above 60 | 10 | 2 |
| Gender | Male | 210 | 42 |
| | Female | 290 | 58 |
| Educational Qualification | Up to Intermediate | 60 | 12 |
| | Graduation | 190 | 38 |
| | Post Graduation | 160 | 32 |
| | Professional | 26 | 5 |
| | Others | 64 | 13 |
| Marital Status | Married | 362 | 72 |
| | Unmarried | 138 | 28 |
| Occupation | Student | 66 | 13 |
| | Housewife | 140 | 28 |
| | Employed | 194 | 39 |
| | Entrepreneur | 84 | 17 |
| | Retired Persons | 16 | 3 |
| Monthly Income (in Rupees) | No Income | 44 | 9 |
| | Below 10000 | 158 | 32 |
| | 10001-20000 | 182 | 36 |
| | 20001-30000 | 54 | 12 |
| | Above 30000 | 62 | 11 |
| Family size | Up to 4 members | 336 | 67 |
| | 4-6 members | 104 | 23 |
| | 6-8 members | 28 | 6 |
| | Above 8 members | 22 | 4 |
| TOTAL | | 500 | 100.0 |

Table – 2: Consumers' Attitude towards the Green Products

| S.No | Particulars | Mean value | Rank |
|------|---|------------|------|
| 1 | Green Products usage is the status symbol in the society | 3.368 | 1 |
| 2 | Green Products do not create any harm to society | 3.284 | 2 |
| 3 | Green Products prefer by consumer near future | 3.192 | 3 |
| 4 | Green Products do not create any harm to the health | 2.956 | 4 |
| 5 | Green Products do not create any pollution | 2.948 | 5 |
| 6 | Green Products have reputation in the market | 2.872 | 6 |
| 7 | Green Products can be easily identify | 2.808 | 7 |
| 8 | Green Products concept is existed long time back. But it does not implemented by many companies | 2.804 | 8 |
| 9 | Green Products costlier one | 2.3 | 9 |
| 10 | Green Products available only at shopping malls only | 1.852 | 10 |

Consumers are strongly believed that the Green FMCG products are available in shopping malls and the products are costlier one. Green FMCG products and eco friendly and it may not create any harm to environment and health.

Table – 3: Awareness' about the Green Products

| S.No | Particulars | No. of Respondents | % of Respondents |
|--------------|---------------------------------|--------------------|------------------|
| 1 | Friends, colleges and Relatives | 160 | 32 |
| 2 | News paper and Magazines | 70 | 14 |
| 3 | Television and Radio | 60 | 12 |
| 4 | Internet | 46 | 9 |
| 5 | Departmental stores | 130 | 26 |
| 6 | others sources | 34 | 7 |
| TOTAL | | 500 | 100 |

With the help of the above table, it is observed that the word of mouth is the main media to know about Green FMCG products

Table – 4: Types of Green Products Purchased per Month

| S.No | Particulars | No. of Respondents | % of Respondents |
|--------------|--|--------------------|------------------|
| 1 | Organic Food items like Vegetables, Rice, Fruits etc | 88 | 18 |
| 2 | Cosmetics (soap, Shampoo etc) | 192 | 38 |
| 3 | Toiletries | 128 | 26 |
| 4 | Electricals | 58 | 12 |
| 5 | others | 34 | 6 |
| TOTAL | | 500 | 100 |

38% of the respondents are purchasing cosmetic products for their usage every month.

Table – 5: Amount spent for purchasing Green Products per Month

| S.No | Particulars | No. of Respondents | % of Respondents |
|--------------|-------------|--------------------|------------------|
| 1 | Below 500 | 90 | 18 |
| 2 | 500 – 750 | 136 | 27 |
| 3 | 750 – 1000 | 160 | 32 |
| 4 | 1000 – 1250 | 70 | 14 |
| 5 | Above 1250 | 44 | 9 |
| TOTAL | | 500 | 100 |

32% of the respondents are spending nearly 1000 Rs per month for purchasing the green products.

8. TESTING OF HYPOTHESIS

- There is no relationship between the gender of the consumer and consumer attitudes between environmental degradation and usage of green FMCG products
- There is no relationship between the income of the consumer and consumer attitudes between environmental degradation and usage of green FMCG products
- There is no relationship between the age of the consumer and consumer attitudes between environmental degradation and usage of green FMCG products
- There is no relationship between Consumer attitudes such as Green Products usage is the status symbol in the society, Green Products do not create any harm to society, health, create any pollution, Green Products prefer by consumer near future, availability, can be easily identify, costlier one and availability of the products and frequency of purchase of the products.

Table – 6: Demographic Factor Analysis

| | Factors | Calculated Value | Table Value | Result |
|-------------------------------|---|------------------|-------------|----------|
| Gender | consumer attitudes between environmental degradation and usage of green FMCG products | 35.64 | 21.026 | Rejected |
| Age | consumer attitudes between environmental degradation and usage of green FMCG products | 17.65 | 21.026 | Accepted |
| Income | consumer attitudes between environmental degradation and usage of green FMCG products | 19.28 | 21.026 | Accepted |
| Frequency of Purchases | Consumer attitudes | 28.65 | 21.026 | Accepted |

9. FINDINGS

- 1) 52% of the respondents are from the age group of below 30 - 40 (middle age group). The youngsters are more interested in purchasing the green products.
- 2) 58% of the respondents are female.
- 3) 38% of the respondent have been completed their graduation.
- 4) 36% of the respondents are getting salary from the range of 10000 to 20000.
- 5) Consumers are strongly believed that the Green FMCG products are available in shopping malls and the products are costlier one. Green FMCG products are eco friendly and it may not create any harm to environment and health.
- 6) It is observed that the word of mouth is the main media to know about Green FMCG products
- 7) 38% of the respondents are purchasing eco friendly cosmetic products for their usage every month like fairness cream, hair dye, shampoo etc.
- 8) 32% of the respondents are spending nearly 1000 Rs per month for purchasing the green products.
- 9) There is a significant relationship between the gender and the awareness of the green products
- 10) There is no relationship between the income and the age of the consumers' and their attitudes about the green products
- 11) There is relationship between the attitude of the consumers and the purchasing pattern of the consumers. The attitude of the consumer about green FMCG products is positively correlated with the purchasing pattern of the consumers.

10. SUGGESTIONS

- 1) The attitude of the consumers about the eco friendly environment has the positive impact to their behavior. The consumers are willing to buy the products to safe guard the environment and their health. Due to their health consciousness they are interested to purchase the Green FMCG products. So, the companies try to produce the goods not harm to the consumers and the society. Even though the products are made from organic inputs there are still some doubts about the ingredients of the products. So, the Government tries to fix standard norms for the products and certified that the goods are made from organic ingredients.
- 2) Though consumers are willing to purchase green products, many business organizations still in behind the need of the eco friendly society. Companies may use agricultural products for their

input to produce products like shampoo, face wash, hair dye; etc. It will save cost as well as environment.

- 3) The government should create awareness about green products to protect the environment. The Vijayawada city is centrally located city and having educational background, there is only a small group of people of them are getting awareness about the green products. Still it is infant stage in Vijayawada city. Vijayawada Municipal Corporation creates awareness' among the public not use of plastic. They try to use conservative energy for their daily requirement. So, the government, NGO, Private sectors and others should try to create awareness about the green products.

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