

A STUDY ON AWARENESS AND DEMAND PATTERN AMONGST CONSUMERS W.R.T GREEN PRODUCTS

Roshni Sawant*

ABSTRACT

In today's day and age business organizations produce and market many green products in an effort to cut down the impact on environment. Green Marketing is the marketing of merchandise that are presumed to be environmentally safe. It involves actions that do not cause damage to the surroundings. Such activities may require modification of advertisement, changes in packaging, production process and product modification which have minimum impact on the surroundings. With the consumer being more aware and conscious about protecting the environment they are more educated consumers. The increase in success of the companies involved in green marketing has increased the participation of organization, policy maker and more importantly the consumers. Green marketing is environment friendly sustainable and socially responsible marketing. This paper provides theoretical knowledge about green marketing and overview of consumer perception of green marketing. While making suggestion for improvement in green marketing practices With increase in green marketing will help economic development, increase the growth of country and increase consumer choice in green products.

Keywords: green marketing, green product, consumer perception, marketing error, influencing factors.

* Assistant Professor, School of Management, D. Y. Patil University Navi Mumbai

INTRODUCTION

Green marketing is not restricted to the promotion or advertising of products with environmental characteristics, Green marketing incorporates modification in the product, production process, packaging and advertising. Environment Protection along with achieving organizational goals and objectives is the top priority of all the firms. This ensures a sustainable and all round development. The main objective will be to analyze and draw conclusions about the alignment of biotechnology and herbal products with that of the company's activities. Ultimately green marketing looks at how marketing activities utilize these limited resources, while satisfying consumer wants, both of individuals and industry, as well as achieving the selling organization's objectives.

Green marketing refers to the process of selling products and/or services based on their environmental benefits. Such a product or service may be environmentally friendly in it or produced and/or packaged in an environmentally friendly way. The obvious assumption of green marketing is that potential consumers will view a product or service's "greenness" as a benefit and base their buying decision accordingly.

The not-so-obvious assumption of green marketing is that consumers will be willing to pay more for green products than they would for a less-green comparable alternative product - an assumption that, in my opinion, has not been proven conclusively. While green marketing is growing greatly as increasing numbers of consumers are willing to back their environmental consciousness's with their money, it can be dangerous.

The public tends to be skeptical of green claims to begin with and companies can seriously damage their brands and their sales if a green claim is discovered to be false or contradicted by a company's other products or practices. Show potential customers that you follow green business practices and you could reap more green on your bottom line. Green marketing isn't just a catchphrase; it's a marketing strategy that can help you get more customers and make more money. But only if you do it right

Evolution of Green Marketing

Phase I: "Ecological" Green Marketing: focus on reducing Environmental Problems & providing Remedies.

Phase II: "Environmental" Green Marketing: focus on innovations through Clean Technology.

Phase III "Sustainable" Green Marketing: focus on preservation of Environment through Sustainable Development.

OBJECTIVES OF THE STUDY

- To assess the reasons for purchase Eco-friendly products.
- To determine the factors which influence the purchase decision of consumers while buying Eco-friendly products.
- To know the attitude of consumers towards Green Marketing.
- To analyse the challenges in green marketing

RESEARCH METHODOLOGY

The study is primarily based on primary data collection and secondary literature review. Based on available literature review and primary data, the present paper makes an assortment of behaviour and purchase decision for eco-friendly products by consumers.

Green Product's characteristics

The products those are manufactured through green technology and that caused environmental hazards are called green products. Green products are those which are originally grown, recyclable contains non-toxic chemical, natural ingredients and do not harm or pollute the environment, are not tested on animals, have eco- packaging.

Eco-labelling

In regards to eco-labelling, many experts have suggested that consumers are confused due to inappropriate labelling. Research has shown that consumers do not always understand environmentally friendly labels attached to products (Kangun and Polonsky 1995). Eco-labels such as 'biodegradable,' 'sustainable,' 'fair wage/fair trade,' 'environmentally friendly,' and 'recyclable' are usually unfamiliar and/or unknown to consumers. Consumers must know and trust a label before they can use it to make purchasing decisions.

Consumer backlash

The increase in unsubstantiated and/or inappropriate product claims in the 90's helped create the gap that exists between potential purchasing decisions based on the welfare of the

environment. According to Fierman (1991), the Environmental Research Association found that 47 percent of consumers dismiss environmental claims as “mere gimmickry”. Studies have also found that consumers have difficulty in adopting products that manufacturers claim to be environmentally safe and useful.

Some companies are under the perception that green branding is sure to backfire in their markets due to the problems of backlash. One reason is that the media is more inclined to attack companies on the basis of any shortcomings, rather than to highlight the relatively poor eco-performance of their rivals. Thus, rather than attempting to use the environment for presenting an overtly positive corporate image, and thereby motivating favourable purchase behaviour, firms prefer not using the environment as a major selling point to avoid development of any ‘negative’ corporate associations. If a company wants to promote itself as being an environmentally friendly company, it must approach these efforts holistically, because if consumers become skeptical of a firm’s motives (i.e. tactical approaches), its efforts may actually backfire

Indian Relationship with Green Marketing

green marketing continues to be an issue of global interest in India. Google sense also proved that “green marketing” originated from India than from any other country.

rank	Country
1	India
2	UK
3	Us
4	Thailand
5	Australia

Many companies are adopting green for capturing marketing opportunity of green marketing. Some cases :

Example 1 : Toyota Prius : When the car was introduced, ads focused on superior performance evidenced in a quiet ride, and supplemental ads touted its environmental bonafides. With energy prices on the rise, the Prius is now being marketed for its superior fuel efficiency, and a PR machine fuels efforts to link the car to environmentally conscious celebrities and causes.

Example 2 : Tide Coldwater : Tide Coldwater is a line extension of Tide that is helping it build brand equity and staying fresh in the marketplace. A “Life Cycle Assessment” commissioned by Procter and Gamble found that 80%-85% of the energy used to wash clothes comes from heating the water.

Example 3 : Eco Friendly Rickshaws : A battery operated rickshaw, “E-rick”, sponsored by a cellular service provider, promote eco-friendly transportation in Delhi city.

Example 4 : Wipro green : Wipro infra tech was India’s first company to launch environment friendly computer peripherals. For Indian market Wipro already introduced desktops and laptops called wiprogreen ware.

Example 5 :Tata : Tata Motors is setting up an eco-friendly showroom using natural building material for its flooring and energy efficient lights.

Opportunities of Green Marketing

Today's consumers are becoming more and more conscious about the environment and are also becoming socially responsible. Therefore more companies are responding to consumers’ aspiration for environmentally less damaging or neutral products. Many companies want to have an early-mover advantage as they have to eventually move towards becoming green. Some of the advantages of green marketing are:

- I It ensures sustained long-term growth along with profitability.
- II It saves money in the long run, though initially the cost is more.
- III It helps companies market their products and services keeping the environmental aspects in mind. It helps in accessing the new markets and enjoying competitive advantage.
- IV Most of the employees also feel proud and responsible to be working for an environmentally-responsible company.

Challenges for Green Marketing

There are a number of challenges and problems associated with the understanding and application of green marketing practices. Some of them are as follows:

- I Firms practicing Green Marketing must ensure that their activities are not misleading the customers and are not violating any rules and regulations pertaining to environmental protection.

- II Firms must do their best to clearly state the benefits of Green Marketing. If customers are explained the benefits of Green Marketing, then it is certain that they will appreciate the same.
- III Lack of scientific knowledge on the part of firms sometimes creates unnecessary problems.
- IV Sometimes, steep competition can force a company to adopt unfair practices to cut costs. Firms should be socially responsible and look for sustainable development.
- V Practising green is costly. Green products require renewable and recyclable products that are more expensive. Green Marketing can succeed in the long-run, only if the additional costs can be recovered.

Understanding the Consumer Behaviour for eco-friendly products

Though there are a lot of esoteric models explaining why or why not does green marketing work for different products and consumers, I found that basic consumer behaviour theories can be easily applied to explain the effectiveness of green marketing in different scenarios. Before getting into theory, a primary question that arises is how do consumers benefit from purchasing and using environmentally friendly products? Do all people have the same attitude towards the environment?

In the field of green marketing, different studies have classified consumers based on different demographic, psychographic, cultural and personality variables. The most useful classification in the Indian context was found to be based on three parameters: concern for the environment, awareness of environmental issues and environmentally-friendly behaviour. The most important benefit that individuals seek from environmentally responsible behavior is the desire to act in an environmentally responsible manner. The attitudes that drive this need, resulting in purchase behaviour can be broadly classified as cognitive and emotional.

Products (and services) can be broadly classified as high and low involvement for analyzing the consumer purchase behaviour. Since the purchase behaviour is totally different for these two types of products.

High Involvement Products

Any product that is perceived as expensive, risky or has emotional value attached to it is considered as high involvement product. The benefits sought from high involvement products such as TV, cars, etc. are very different from that of low involvement products such as toothpaste, soap or paper napkins. While customers may purchase a eco-friendly low involvement product for the benefit of environment even if the price is marginally higher, they

will not purchase high involvement green product for it just being eco-friendly. They will weigh attributes such as performance, brand, convenience and price against the competing products.

Low Involvement Products

Low involvement products are characterized as not being economically important and involving low risk for the consumer. The purchase decision process for such products is thus relatively simple as compared to that of high involvement products. In contrast with high involvement products, green marketers can significantly influence

the purchase behaviour of consumers for low involvement products through persuasive advertising of environmentally friendly claims regarding their brand.

For typical low involvement purchases like paper and detergents, elaborate evaluation of benefits of product and comparison with other products is usually not done. In the absence of marketing, such products are likely to become commodities, with little differentiation between products.

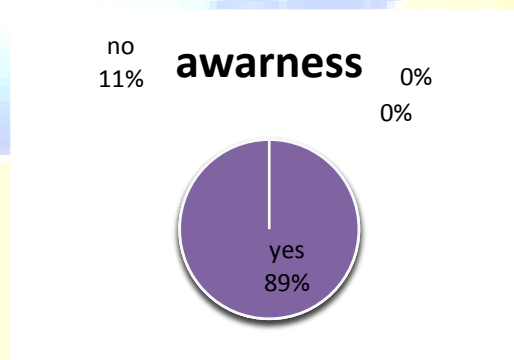
DATA ANALYSIS

The data that has been collected is mainly of two types: Primary and Secondary. This data was classified, compiled and analysed to reach a definite conclusion. The data has been presented in the form of tables and figures along with a theoretical explanation. The primary data has been mainly assimilated from the questionnaires for the purpose of reaching a consensus about the case. The questions have been framed with the primary motive of leading to the case.

The entire questionnaire can be divided into three basic parts:

- Product based questions
- Economy based questions
- Environment based questions

The sample size of the primary data was 130. The research boundary is set to cover Mumbai city region. This facilitated the process of obtaining answers from a variety of individuals, who provided a wide range of answers. Thus the questionnaires provided an unbiased variety of answers which in turn helped in reaching a definite conclusion.

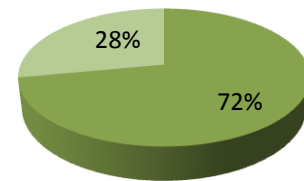


1. Are you aware of Green Marketing ?

In given data shows that 89% consumers have knowledge about eco-friendly products, where in 11% consumers don't know about green products or green marketing.

willingness

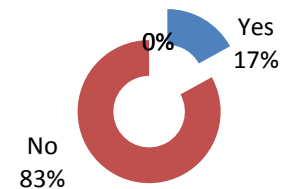
■ Yes ■ No



2. How you become aware of Green marketing

In Given data shows that 44% consumers are aware with the help of television, 38% consumers are aware with newspapers, 24% consumers are aware with magazine, 19% consumers are aware with class lecture. And 27% awareness came from various other sources like events, group influence etc.

Green features information



3. If green features Increases the price of the product, are you willing to pay more ?

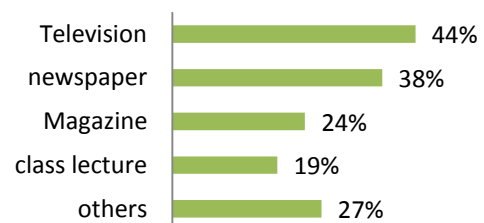
In given data shows that 72% consumers are ready to spend more money on green featured product, where 28% consumers are likely to say no for high cost pay for green product.

4. Do you think there is enough information about “green” features when you buy the product ?

In this given data only 17% consumers feels that there is enough information provided by manufacturers on product where with 83% “No” response of consumers says that the awareness level regarding green features are still low in minds of customers.

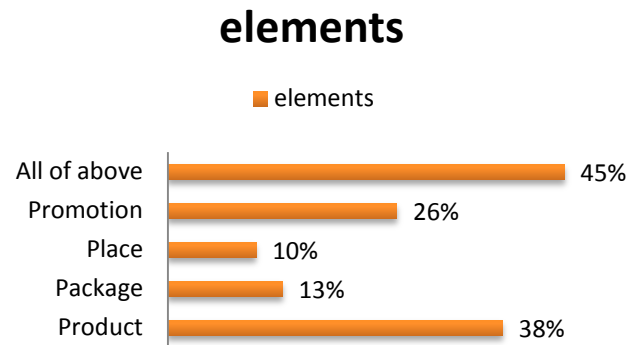
awarness medium

■ awarness medium



5. What is the main reason that makes you willing to pay more for the “green” products?

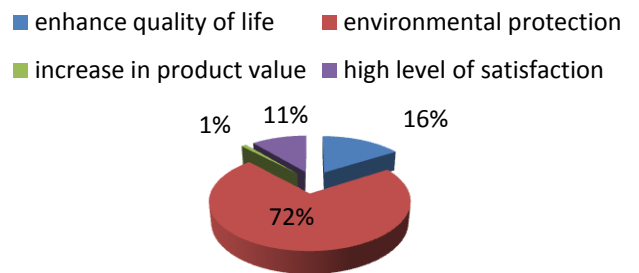
In this data 16% consumers feel that green product enhance the quality of life, where 72% consumers says that green product provides environmental protection but only 11% consumers feels that green product provides high level of satisfaction and 1% feels it increase in product value.



6. What is the main reason that makes you not willing to pay more for the “green” products?

In this case 21% customer says they can't see benefits of those green features, where 15% customers feel it is an environmental issue gimmick but 29% consumer feels that producers only claim, actually it is not in reality where 35% consumers strongly says that product cost is too high.

willingness in payment

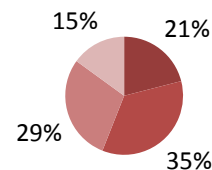


7. Which marketing element strongly influences your buying behaviour of green products?

In this data it shows that 38% of the consumer base believes that product strongly influence buying behaviour of green product where 13% believes it is packaging but when it comes to place, 10% believes it strongly influence buying behaviour where 26% feels that promotions plays vital role in green product buying behaviour. 45% majority says combination of all the elements i.e. product, price, place, promotions. Strongly influences buying behaviour of green products.

Reasons for non payment

- can not see benefits of those features
- product cost is too high
- producers only claim, actually it is not
- environmental issues are gimmick



8. Why do you think green marketing is in headlines nowadays?

In this data 42% majority shows that consumers are aware of green product where 21% believes on competitive edge of companies and 37% feels it's company's attempt to address society's new concern.

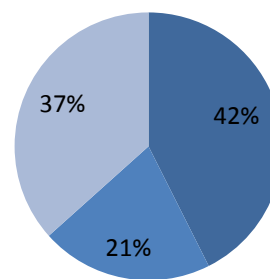
9. What do you feel about environment friendly products and advertising ?

Here, when the question is asked about loyalty, 42% strongly agree where 40% are agree on loyalty where 16% disagree and 2 % disagree with loyalty towards green product.

When consumer asked to switching from non-ecofriendly product 44% says strongly agree where 32% are agree but 23% says disagree to switch and only 1% says strongly disagree.

When it comes to preference 50% are strongly agree to prefer green product where 30% are agree and understood the making preference of green product. But 18% are disagree and 2% are strongly disagree.

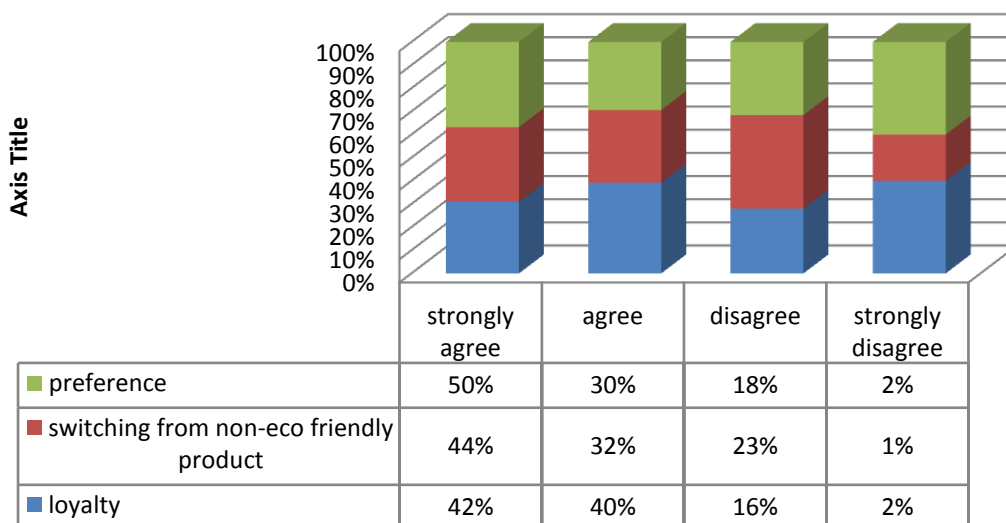
green marketing headline



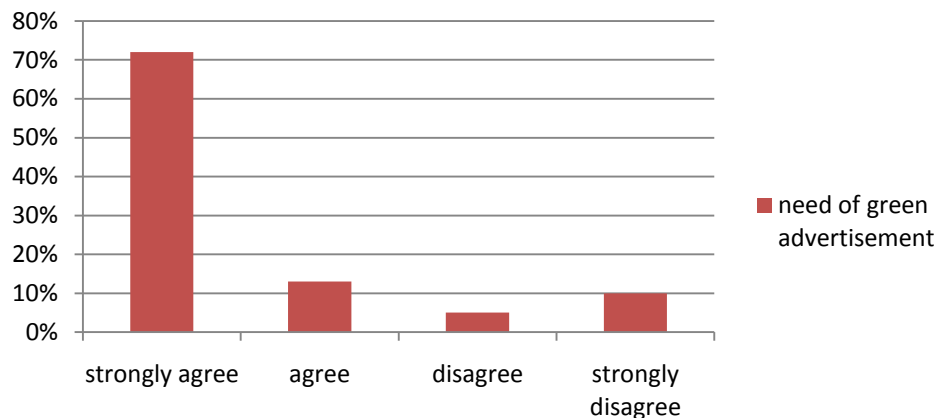
- consumers are aware of green product
- company increasing its competitive edge
- Company's attempt to address society's new concern

10. Do you feel green marketing should be advertised more ?

Chart Title



need of green advertisement



When question asked in survey regarding green marketing advertisement 72% are strongly agree where 13% are agree but 5% are disagree where 10% strongly disagree for green marketing advertisement.

FINDINGS

In order to understand consumer behaviour towards green marketing we asked them 10 questions from which we learned the following:-

- Most of the people are aware about eco-friendly/green products.
- people with access to television and newspaper are more aware about green marketing
- Three major factors which influence consumers decision making are:
 - promotion
 - product
 - Package
- Consumer is willing to pay more even if the features increase the price

- 83% of the surveyed people said not enough information is provided about the green features
- At the same time people who disagreed for paying high prices believed it wasn't worth the benefit

This shows that more and more people are increasingly gaining awareness about green marketing and expressing more concern about going green. Apart from this companies have also started manufacturing more and more green products and are taking measures in order to improve their efficiency which reduces the environment impact. People are aware of green environment because it is less detrimental to the environment

and companies can look into implementation of this concept for betterment of business that is proper promotion and pricing should be done for an environmental product to increase the chances of attracting more consumer at the same time serving the environment.

CONCLUSION

Green marketing is grounded along the assumption that businesses bear a duty to meet human demands and desires while keeping up the unity of the natural surroundings and with the menace of global warming looming large, it is exceedingly important that green marketing becomes the average rather than an exception or just a craze. Recycling of paper, metals, plastics, etc., in a safe and environmentally harmless manner should become much more systematized and universal. It has to become the general norm to use energy-efficient lamps and other electrical goods. Marketers should take up the responsibility of promoting more of green products and help consumer understand its benefits. With industry's following the way of decreasing their negative footprint on the environment and adopting green marketing as it not only benefits the environment it also assists in the growth of the economic system. Green marketing assumes even more importance and relevance in development of nations like India.

REFERENCES

Websites :

- 1) <http://www.freepatentsonline.com>
- 2) <http://economictimes.indiatimes.com>
- 3) <http://www.greenmarketing.com>
- 4) <http://www.sbaer.uca.edu>
- 5) <http://casestudy.co.in>

Books

- 1) Marketing Management
By Debraj Dutta and Mahua Dutta
- 2) Green Marketing: Opportunities & Challenges
By Sanjit Kumar Dash
- 3) Marketing Management
By Philip Kotler and Kevin Lane Keller

Journals & Magazines

- 1) International Business Research
- 2) Advertising Express

