

**A STUDY ON GREEN MARKETING AND ITS IMPACT ON CONSUMER BEHAVIOR****Rakesh H M****Assistant Professor, Dept. of MBA, VVCE, Mysore****Lakshmi P****Associate Professor, Dept. of MBA, VVCE, Mysore****ABSTRACT**

*In the era of globalization the big challenge is to keep the customers as well as consumers in fold and even keep our natural environment safe and that is the biggest need of the time. Consumers are also aware of the environmental issues like; global warming and the impact of environmental pollution. Green marketing is a phenomenon which has developed particular important in the modern market and has emerged as an important concept in India as in other parts of the developing and developed world, and is seen as an important strategy of facilitating sustainable development. This research paper has made an attempt to understand the concept of green marketing and the behavior of the consumer towards green products. Data has to be collected through structured questionnaire from 80 respondents.*

**Keywords:** Green Marketing, Sustainable Development, Consumer Behavior

**Introduction**

According to the **American Marketing Association**, "Green marketing is the marketing of products that are presumed to be environmentally safe".

Green marketing refers to the process of selling products and services based on their environmental benefits. Such a product or service may be environmentally friendly. It is produced and packaged in an environmentally friendly manner. It incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising.

The year 1980 is said to be the mark of the first stage of Green Marketing. In this period, the industry was first introduced to the concept of "Ecological Green Marketing" The 1990s decade, which was the second stage, began with very high and hopeful forecasts about the emergence of an "Environmental Green Tide" of consumers and new products. The third stage of Sustainable Green Marketing has started since 2000. More advanced technology has been implemented, deceptive claims are taking at stricter enforcement, new regulations from the government and a thorough and detailed inspection from various environmental organizations and the media, consumer's confident has been greatly improved and many high quality green products has been made during this period. In addition to the global concern of environmental quality that is steadily rising, green marketing now has picked up its momentum again.

## **Benefits of Green Marketing**

### **1. Product opportunities**

Growing consumer awareness and interest in preserving and utilizing natural resources has contributed to an influx in sales and marketing of environmentally friendly and reusable products. "Organic" has become a key word in marketing.

### **2. Enhanced environmental awareness**

The benefit that resonates with industry and consumers by Green Marketing is the expansion of environmental awareness. As companies market their green-friendly efforts and products, they simultaneously encourage the green initiative. This perpetuates the efforts by other companies to operate with more green responsibility and causes consumers to remain vigilant in holding companies accountable for their actions.

### **3. Premium prices**

Preserving rain forests, recycling, reducing waste and other green-friendly actions take time; resources are concerted effort of a company. A benefit of green marketing expansion is that consumers may become more comfortable and accepting of paying higher premium prices to acquire earth-friendly products or to support companies that engage in green activities.

### **4. Supplier Expansion**

A challenge faced by early adopters of the environmental movement was the limited supply of earth-friendly food and non-food products. Companies that initially sold organic foods faced high prices due to a limited number of organic farmers and suppliers. Now of late gained a lot of interest as consumers increasingly look for locally and regionally produced organic foods.

## **Green Marketing Mix**

The companies come up with newecofriendly products which can access new markets, enhance market shares, and increase profits. Just like 4Ps; product, price, place and promotion in marketing, even in green marketing too we have 4ps but they are a bit different. They are as follows

### **1. Product**

The products have to be developed depending on the needs of the customers who prefer environment friendly products. Products can be made from recycled materials or from used goods. Efficient products not only save water, energy and money, but also reduce harmful effects on the environment. The marketer's role in product management includes providing product designs with market-driven trends and customer requests for green product attributes such as energy saving, organic, local sourcing, etc.,

## 2. Price

Green pricing takes into consideration the people, planet and profit in a way that takes care of the health of employees and communities and ensures efficient productivity.

## 3. Promotion

Green promotion involves configuring the tools of promotion, such as advertising, marketing materials, signage, white papers, web sites, videos and presentations by keeping people, planet and profits in mind.

## 4. Place

Green place is about managing logistics to cut down on transportation emissions, thereby in effect aiming at reducing the carbon footprint.

### Factors influencing Green Purchase Behavior

**Environmental awareness** of the individual is known as understanding the impact of human behavior on the environment (Kollmuss&Agyeman, 2002). Panni (2006) understood that in his researches most of the consumers, who are aware of environmental issues, are adherent of their environment and society and they make an effort to buy products that are less damaging to their environment and community while purchasing them.

**Environmental attitudes and desires** are complex and multi-dimensional. Some researchers have endeavored to classify consumers based on their environmental beliefs and attitudes. Schultz stated that there are three separate environmental attitudes: Altruistic attitudes (including concerns over others), self-centered attitudes (including their concerns) and eco-centric attitudes (including concern for the environment). Based on Schultz's researches, self-centered attitudes are causing consumers' behavior (Schultz, 2000). Attitudes have been defined as sustained positive or negative feelings of people, objects or issues (Newhouse, 1991). There is conflicting empirical evidence about the impact of environmental beliefs, attitudes on green purchasing behavior. Beckford and et al (2010), Cornelissen and et al (2008) and Lynne and Rola (1988) stated that environmental attitudes have a significant impact on green purchasing behavior intention. Mostafa (2009) illustrated that environmental attitudes have a positive effect on consumers' green product purchasing behavior. However, some studies suggest moderate or weak relationship between environmental attitude and green purchasing behavior (Axelrod and Lehman, 1993 and Smith *et al.*, 1994 , Berger &Corbin, 1992).

The effectiveness which is **perceived by the consumer** is determined by direct and indirect knowledge and experience that the level of it varies from person to person (Yeonshin , 2005). The effectiveness which is perceived by consumer is defined as a consumer's confidence in their ability to improve the environment (Kenneth &Sanjay , 1998). Lee (2008), in recognition of the important factors which influence young consumers' green purchasing behavior, indicated that the effectiveness which is perceived by the consumer has a great impact on consumers' green purchasing behavior.

**Environmental concerns** can be defined as an attitude towards environmental consequences. This attitude is influenced by direct personal experience, the experience of other people and media's news. Environmental concern affects the behavior which is compatible with environment. Environmental concern is a strong attitude towards protecting the environment (Crosby & Taylor & Gill, 1981). Kim and Choi (2005) found that environmental concern directly affects green purchasing behavior. Environmental concern is a main and determinant factor in purchasing green and organic food in a number of studies (Grunert, 1993). Hines et al (1987) understood that environmental concern has a direct correlation with the behavior of environmental adherents. Lee (2008) found that the second factor influencing the young Hong Kong green purchasing behavior is environmental concerns. It is predictable that the level of people's environmental concern is associated with their interest and desire to purchase green products (Biswas, Liecata, McKee, Pullig & Daughtridge, 2000; Mainieri, Barnett, Unipan & Oskamp, 1997; & Schwepker & Cornwell, 1991).

According to the findings of Sukhdial and Venice (1990), one of the main reasons that stop people from being involved in **environmental protection**, is the level of their perception of self-employment in protecting the environment. Many people may have ecological concerns, but they feel that the environmental protection is the responsibility of the government or huge corporations. Thus, it is possible that the imagination affects their green product purchasing behavior. In the study which has been focused on young consumers in Hong Kong, Lee (2008) indicated that the perceived social responsibility is the fourth effective factor in green purchasing behavior. Chan and Lau (2000) found that the consumers are searching for a better policy to solve environmental problems meanwhile the individuals' understanding of social responsibility has an important place.

### Review of Literature

**Kilbourne, W.E. (1998)** discussed the failure of green marketing to move beyond the limitations of the prevailing paradigm. The author identifies areas that must be examined for their effect in the marketing/environment relationship, namely economic, political and technological dimensions of the cultural frame of reference.

**Prothero, A. & Fitchett, J.A. (2000)** says that 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.

**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 to bear the costs associated with it.

**Karna, J., Hansen, E. & Juslin, H. (2003)** interpret that proactive marketers are the most genuine group in implementing environmental marketing voluntarily and seeking competitive advantage through environmental friendliness. The results also give evidence that green values, environmental marketing strategies, structures and functions are logically connected to each other as hypothesized according to the model of environmental marketing used to guide this study.

**Sanjay K. Jain & Gurmeet Kaur (2004)** in their study environmentalism has 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 behavior prevalent among consumers in India.

**Donaldson (2005)** in his study realized in the Great Britain initially concluded that in general the ecological attitude of consumers changed positively. This study reported the strong faith of consumers in the known commercial brands and in the feeble behavior referring to the "green" claims, which was the main cause behind the consuming failure to interpret their concerns beyond the environment in their behavior.

**Alsmadi (2007)** investigating the environmental behavior 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. 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.

### **Need for the study**

"Resources are limited and human wants are unlimited", it is important for the marketers to utilize the resources efficiently and achieve the organization's objective. So *Green Marketing* is inevitable. There is growing interest among the consumers for protection of environment. Worldwide evidence indicates people are concerned more about the environment and are changing their behaviour accordingly. As a result of this, *Green Marketing* has emerged which speaks for growing market for sustainable and socially responsible products and services which obviously is the origin of the research problem.

### **Objectives for the study**

1. To study the attitude of consumers towards green marketing
2. To establish a relationship between consumer purchasing decision and green marketing

### **Research Methodology**

#### **Source and type of data**

Primary data is collected using structured questionnaires. The secondary data like annual report of companies, books, journals, magazines and other literatures is also being used for the study.

#### **Sampling method**

Non-Probability sampling method has been used for the purpose of study. Convenience sampling method has been followed to collect the data from the respondents

### Sample Size

The study has been conducted in Mysore City, Karnataka, India by considering a sample size of 80. The data have been collected using structured questionnaire and the data is analyzed using SPSS.

### Limitation of the study

1. The study is restricted to only 80 respondents belonging to Mysore city only
2. The results may not be applicable to other parts of the country
3. The study has been made only for consumer durables

### Findings of the study

1. 72% of the respondents were aware about the green products available in the market
2. 38% can pay more for green products
3. 72% of respondents agreed that there is enough information about the products
4. 65% of the sample population strongly agrees that the organization should practice green marketing
5. 55% buyers prefer to buy only green products if there are supplementary products available in the market

### Conclusion

The green marketing requires vigorous application of good marketing principles to make green product desirable for consumer. Green marketing is still in its infancy and lot of reformation is to be done with a view to explore its full potentials. The renewable and recyclable material is costlier and sometime not affordable for producers. Green marketing should never be considered as just one more addition to approach to marketing, but it has to be pursued with much great vigor, as it both in terms of environmental and social dimensions. The consumer awareness should be made and benefits of environmental friendly product and services shall be informed to consumers. In green marketing consumer are even willing to pay more to maintain cleaner and greener environment. Finally consumer, industrial buyers and suppliers needs to have commitment on minimizing the negative effect on the environment.

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