

GREEN MARKETING: CONSUMER AWARENESS AND BUYING PREFERENCE IN HIMACHAL PRADESH

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Abstract: Concerns have been expressed by manufacturers and customers about the environmental impact of products during recent decades. 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. A study was conducted on 106 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. Results of regression analysis reveals the view that overall green values, awareness about green products and practices and the perception regarding seriousness of marketing companies towards green marketing had positive significant impact on consumer persuasion to buy and prefer green products over conventional products.

Keywords: Green Marketing, Consumers, Marketing Strategies.

Introduction:

Business needs 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 market place. 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 impact 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 themselves as environment friendly. Green marketing is emerging as a popular promotional strategy owing to increased consumer awareness and concerns. The concept of green 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 government 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 to determine consumers' green attitude called "CONSUMER GREENDEX", the

top scoring consumers were in 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. A company to be successful in Green marketing requires to be committed to operate in environmentally friendly ways.

Green Marketing Practices Adopted by Companies:

Based on different definitions of green marketing, some common strategies adopted by companies are:

1. Green design
2. Green positioning
3. Green pricing
4. Green packaging
5. Green disposal

Many consumer's 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. Kansai NEROLAC Paints is marketing themselves as green as they 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". Nokia has come up with the concept of recycling of phones to save the natural resources.

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.

Literature Review:

Green marketing came into prominence in the late 1980s and early 1990s. The first book titled Ecological Marketing was the outcome of first workshop on "Ecological Marketing", held by American Marketing Association (AMA) in 1975. Green marketing acquired an eminent status early 1990s. There has been occurring about green consumers and green consumerism in 1970s and 1980s. Henion and Kinnear (1976) defined green consumers as environmentally conscious consumers while Antil (1984) described green consumerism as a specific type of socially conscious consumer behavior with prime focus on protection of environment. Green consumerism was described as a form of "pro-social" consumer behavior (Weiner and Doescher, 1991). Michael Polonsky (1994) defined "green marketing as the marketing that consists of 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 occur, with minimal detrimental impact on the natural environment".

Various studies support the assertion that consumers today prefer environmentally safe products and have a positive disposition towards companies following such practices. A strong willingness is shown by consumers to favor environmentally conscious products and companies as per various opinion polls taken in US and elsewhere, however action to do so in reality are debatable (Mendleson N, Polonsky M J, 1995). In spite of huge interest in green marketing by researchers and organizations, demand of green products is not as high as expected. Mintel (1995) found a significant gap between consumers concern and actual green purchasing. It is found that still there are considerable barriers towards the diffusion of more ecologically oriented consumption styles. According to Michael J Polonsky, environmental marketing has been perceived as an opportunity by the organizations to achieve their objectives (stated by Keller 1987, Shearer 1990). It was believed that organizations have moral obligations to serve the society in more environmental friendly way.

Firms are also forced to become more socially responsible due to the laws laid by the government towards the protection of the environment. Firms are also pressurized by the environmental activities adapted by competitors that demand the firms to change their marketing activities to environmental marketing activities. One of the factors identified that affects the purchase of green product is its high

price in comparison with traditional product. Innovation will play a lead role in sustainable development for the companies to be competitive and resisting innovations will lead to loss of competitiveness in today's global economy. Jacquelyn Ottman, (1998) suggests that from an organizational stand point, all aspects of marketing including new product development and communications should be integrated with environmental considerations.

Organization operating green practices in their processes and products is considered as environmentally friendly by the consumers and they prefer to purchase the products of the organization that are marketing themselves as green organizations. It has been always believed that the actions of individuals can be predicted by their attitudes. Number of studies has been made towards improving the ability to predict an individual's actions. Davidson et al. (1985) found that the consumers' attitude is associated with the knowledge and personal experience they possess.

Green Gauge Study of Roper Organization classified the American consumers into True-Blue Greens, Greenback Greens, Sprouts, Grouzers and Basic Browns. True-Blue Greens are the consumers who buy only green products and trying to make up for the deficits, Greenback Greens are the consumers willing to expend money towards protection of natural environment but don't have time and energy for environmental activities, Sprouts are the consumers who can buy green products but are not involved in environmental activities, Grouzers are the consumers who cares about the protection of environment but make excuses for adapting green products, and Basic Browns are the consumers are who don't care about the environment protection and are not even ashamed of it. Consumers are substantially aware about green products; however, applying green marketing practices in business operations is not an easy task.

Antonio et al suggested that due to environmental consciousness that has evolved over time, studies on green consumerism will be the main focus point in future leading to identifying the consumer attitudes, behaviors and intentions. Braimah and Twenboah-koduah studied Ghanaian consumers and have found low level of awareness towards green marketing issues which affected that purchase decisions of the consumers. Price of green products was also found to be one of the factors that influence the purchase

of green products. However, it was found that young consumers are more likely to be influenced by green issues.

According to Joel Makower, challenges faced by green marketer also include the lack of standards and common consensus among the public about what actually constitutes "green". Despite these challenges, green marketing continues to gain popularity, particularly in light of growing global concern about climate change. Companies are coming forward to showcase their commitments to reduce adverse climate impacts of their products and services. Green marketing can play an important role in sustainable development so firms must adapt innovative methods to sustain itself in the market.

Objectives of the Study:

1. To investigate the level of awareness of Indian consumers about green products and practices.
2. To investigate the buying preferences of Indian consumers about green products.
3. To identify the factors that influences the customer persuasion to buy green products.

Research Methodology:

Research is descriptive in nature it describes the characteristics of the population and phenomenon studied. The data for study has been collected through primary as well as secondary sources. Primary source includes a structured questionnaire. Secondary sources include Journals, articles, reports, magazines, websites and books. Further Non probability sampling technique is used in this study. Convenience sampling has been used to reach out the respondents for data collection. The data has been collected from 150 respondents form Himachal Pradesh. The data collected from various sources has been run in SPSS software for the analysis and specific observation is noted down for the analysis of data. Further factor analysis is used to get the results.

Data Analysis

Chi-Square Test

Table 1

Age of respondents	Observed N	Expected N	Residual
20-25 years	55	21.4	11.6
25-30 years	39	21.4	-6.4
30-35 years	31	21.4	-7.4
35-40 years	25	21.4	-2.4
Total	150		

Are you aware of green products?

Table 2

	Observed N	Expected N	Residual
Yes	144	75.0	69.0
No	6	75.0	-69.0
Total	150		

Test Statistics

Table 3

	Age of respondents	Are you aware of green products
Chi-square	46.747 ^a	12.960 ^b
Df.	6	1
Asymp. Sig.	.000	.000

a. 0 cells (.0%) have expected frequencies less than 5.

The minimum expected cell frequency is 21.4.

b. 0 cells (.0%) have expected frequencies less than 5.

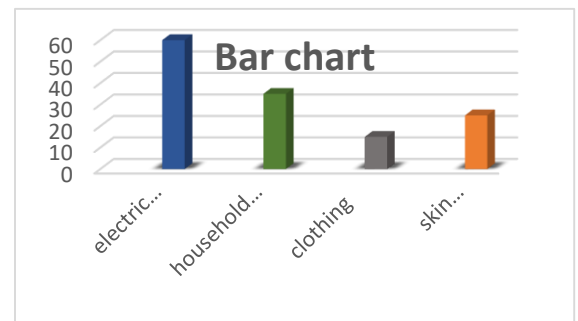
The minimum expected cell frequency is 75.0.

Chi- Square test is used to find out the result of our first objective. Chi--square test revealed the significant association between the variable. The Chi square test is carried out at 90 % confidence level or 0.10 significance level. From the Chi square test output we got that a significance level of .000 has been achieved and as we know that in a chi square test, for a 90 % confidence level, if the significance level is greater than or equal to 0.1, it signifies that there is no association between two variable and if significance level is less than 0.1, then it signifies that there is a significant relationship between the selected variable. From the output tables, the chi square test read a significance level of .000 at 90 % confidence level in 0.1, that is, (1-0.9), so result shows that at .000 (which is less than 0.1), there is a significant relationship between the two variables. Here 146 respondents out of 150 respondents said that they are well aware about green products in market and 6 respondents said that they do not know much about the green products.

Crosstabs

Case processing summary Table 4

	cases					
	valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Do you prefer to buy green products? In which product category you prefer to buy a green product?	144	96.0%	6	4.0%	150	100.0%



What type of product category do you prefer to buy as a green product?

With the help of cross tab, we found the buying preferences of consumer towards green products. With the help of bar chart we can easily say that consumer prefer green products in highest in vehicles segment followed by household, skin care and clothing respectively. The consumers are well aware about the product and this thing is increasing their buying preferences.

Descriptive Statistics

Table 5

	N	Minimum	Maximum	Mean	Std. deviation
Advertisement influence me to buy green products.	144	1	5	1.65	.903
I have manor concern about wasting the resources of planet.	144	1	5	1.85	.805
The green products	144	1	5	2.03	.985
	144	1	5	2.31	1.074

purchase is affected by my concern about environment.	144	1	5	2.14	.980
Eco labels helps me to identify the green products easily.	144	1	5	1.98	.950
Celebrity endorsements influence me to buy green products.	144	1	5	1.97	1.024
They are influenced by their friends and relatives.	144				
They get influenced by Brand image.					
They get influenced by packaging of the products.					
Valid N (listwise)					

Respondents feels that the environmental degradation has risen in last decades and needs to be addressed seriously. Internet and Television were found to be the most known sources of information on green practices of companies is known to them by internet and social media followed by 26% of information furnished by television advertisements. All consumers have rated the seriousness on higher side of various factors that are considered as environmental concern. Consumers’ agreement regarding environmental degradation was high and may prefer green products over conventional products to protect the environment. The data suggests that they prefer the products which are being manufactured eco-friendly and maintains green supply chain for procurement and distribution. Marketers can come up with new green products and communicate the benefits to the consumers. Respondents have rated the seriousness of various environmental concerns as high. They believe that it results in destruction of ozone layer and causes industrial air pollution. Consumers are concerned about the state of environment and expect the organizations to employ green practices towards the protection of environment. Consumers have shown willingness to buy green products if it is available in the product category often purchased. This implies that marketers should make the green products available to the consumers for their consumption as customers have shown willingness to buy green products if it is available. The survey reveals that the consumer considers the ill effects of manufacturing and consumption on natural resources. Consumers felt that green products are priced higher than conventional products. They have revealed that they prefer the green products over conventional products while purchasing. Consumers have also revealed that they consider the ill effect of the manufacturing and consumption on natural environment and the price of the green products affects their purchase behaviour.

Conclusion:

Consumers’ level of awareness about green products found to be high but at the same time consumers are not aware about green initiatives undertaken by various govt. and non-govt. agencies signifying need for more efforts from organizations in this regard. Internet remains leading source of information for most of the respondents and should be utilized more for reaching out to the consumers regarding green products and practices. Responses were on moderate positive level and we can conclude that consumers

Here if we see the Table 5 or mean value we can easily find out the factors which influence consumers to buy green products. The factors having least mean value are the most important factors that have their impact on influence to buy green products. The descriptive table is showing all the factors and their mean value and important factor are: advertisement enhance the knowledge of consumes regarding the green products and influence them to purchase these products, concern about wasting the resources of planet. Consumers get influenced by friends or relatives and packaging also plays an important role in influencing consumer to buy green products.

Findings:

Respondents surveyed around 96 % were aware about the green products and practices. However, most of the respondents were not aware about the initiatives taken for promoting green marketing practices by central/state government, NGOs and business houses in Himachal Pradesh. Suggesting need for better marketing communication from these entities and have to strongly communicate to their customers about their green initiatives.

are not septic about green claims of the organizations and consumers are concerned about the present and future state of environment signifying need for green products and practices. Marketers can come up with new green products and communicate the benefits to the consumers. Due to increased awareness and concern consumer may prefer green products over conventional products to protect environment. Concerns were more directed towards completion of Ozone and Global warming. The consumers are concerned about the state of environment and expect the organizations to employ green practices towards the protection of environment. The results have implications for durable manufactures specially to practice green marketing. Advertising appeals using green products and practices are likely to move emotions and result in persuasion. It is important for marketers to be in top of mind recall of consumers to earn maximum from their green brand positioning. Constant and continuous communications from the organizations' side is required to make an impact and create a distinct green positioning. Consumers have shown positive attitude towards green products at the same time they are concerned with the availability and price of such products. This implies that Marketers should make the green products available to the consumers for their consumption as customers have shown willingness to buy green products if it is available. The study has implications for marketers as well as consumers and makes a good case for product of an era of green marketing in the area of Himachal Pradesh. The study since focused on a limited geographical area has limited generalizability but provides good insights regarding behavior of consumers towards green products. Future research could focus on psychographic segmentation of consumers in terms of assessing their green values and preferences. The study can be complicated at a larger scale to get more insights into the behavior of consumers.

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