

GREEN MARKETING VARIABLES AND THEIR EFFECT ON CONSUMER BUYING BEHAVIOUR

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ABSTRACT

A worldwide temperature alteration, contamination and environmental change are a portion of the issues that have turned out to be progressively concerning issue globally. Ecological disintegration has prompted organizations changing the manner by which they behave, prompting the rise of green advertising. This Rising concern for global warming & corresponding increase in energy costs are causing consumer's to look for those products which are environment friendly. There has been a change in consumer attitudes towards lifestyle. Today most of the consumers have become environment conscious and the main challenge is to find a way how marketing can fulfill the needs of the most of the world's population for a better standard of living. To grasp the new emerging opportunities and to ensure better standard of living, the new concept –Green Marketing has emerged. Green Marketing promotes marketing of such products which are safer for the planet & people. This changing attitude of buying behaviour is forcing many firms to incorporate green processes. In this little research serve it is uncovered that Indian customers' star ecological concerns, information of natural issues, familiarity with eco-accommodating items, and instructive levels influence on green purchasing conduct.

KEYWORDS

Consumer Attitude; Customer's Belief and Trust; Consumer's awareness; Consumer Buying Behavior; Green Campaigns; green marketing mix; Green Brands

INTRODUCTION

“Marketing products and services based on environmental factors or awareness. Companies involved in green marketing make decisions relating to the entire process of the company's products, such as methods of processing, packaging and distribution.”(Surya& Banu, 2014). The concept of green marketing was developed in the late 1980s and early 1990s. Green Marketing includes all those activities which generate and facilitate any exchanges intended to satisfy human wants or needs, so that the satisfaction of such wants and needs occurs, with minimum harmful impact on the natural environment. Today Consumers are more worried about environmental debasement and harmful impact of their uses of product and services on

environment. The reason for such worries can be atmospheric changes, global warming and increasing air and water pollution.(Rani, Aravind& Prasad,2014).

GREEN MARKETING

Green Marketing means manufacturing and marketing of products and services which are manufactured through green processes. According to the **American Marketing Association**, green marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Other terms use for Green Marketing is Environmental Marketing and Ecological Marketing. Today we all face a lot of environmental problems, one of the reasons why the green marketing emerged. Green marketing has now evolved as one of the major area of interest for marketers as it may provide competitive advantage. Green marketing will be successful only if the marketer understands the consumer behaviour. Hence it is essential to conduct a study on attitude and awareness of customers towards green products and factors influencing the buying behaviour of customers.

ORIGIN OF GREEN MARKETING

The term Green marketing came into prominence in the late 1980s and early 1990s. The American Marketing Association (AMA) held the first workshop on “ Ecological Marketing” in 1975. The proceedings of this workshops resulted in one of the first books on green marketing entitled “Ecological Marketing”. The first wave of Green Marketing occurred in the 1980s. Corporate Social Responsibility (CSR) Reports started with the ice cream seller Ben & Jerry’s where the financial report was supplemented by a greater view on the company’s environmental impact.

In 1987 document prepared by the World Commission on Environment and Development defined sustainable development as meeting “ the needs of the present without compromising the ability of future generations to meet their own need”, this became known as the Brundtland Report and was another step towards widespread thinking on sustainability in everyday activity. Two tangible milestones for wave 1 of green marketing came in the form of published books, both of which were called Green Marketing. They were by Ken Peattie (1992) in the United Kingdom and by Jacquelyn Ottman (1993) in the United States of America.

REVIEW OF LITERATURE

Jain&Kaur (2004) In their investigation attempt to know the level of ecological mindfulness among Indian buyers. Indian customers are profoundly worried about condition so they participate in green correspondence crusades and have data about green items. They will know how the earth can be influence contamination to free. Cherian& Jacob (2012) considered that purchaser is likewise mindful about green items and willing to give their commitment to make condition safe. Customers from their side are endeavoring to limit the perils to the earth. Knowing this reality organizations and producers are endeavoring to take profit of these potential green market ventures. Akter (2012) studied the trend in Bangladesh, the country like Bangladesh has set a good example of taking climate change benefit by adopting customer's attitude towards green products. There are several factors which attract consumers towards green market products. These are global warming, environment safety, loyalty about green product, awareness about green products, price of product and its quality. The study found that the consumer loyalty is main factor which makes consumer ready to buy green products.

Bhatia & Jain (2013) found that the companies started giving more attention to green products as the consumers also prefer green marketing products because these are eco-friendly. For example lead free paints, organic pulses, recyclable paper etc. a survey is taken on 106 respondents by making questionnaire to know the view point of consumers regarding green product. At last it concluded that there is a positive relation between the promotions. Irfan, Sumangala& D'Souza(2014) examined that the concept of green marketing is Taken differently by different companies where some companies are more responsible because they follow various types of eco-friendly process like green supply chain management, green IT, green marketing and so on. A survey is taken on 15 marketing professionals who belong to two wheelers and four wheeler manufacturing companies. It was found that product related GMMS (Green Marketing Mix Strategies) played a vital role than other GMMS, specifically with regard to price and place related GMMS. Diglel&Yazdanifard (2014) presents a report that consumers are told about the fact of harmfulness of traditional products they are using and their long term use effect on environment. After knowing effects of traditional of traditional products they are convened to change to Green products. So this research aims at findings the reasons why consumers view point charging towards Green products, why companies are taking the concepts of green marketing and how it is implemented.

OBJECTIVES OF THE STUDY

The following are the objectives to conduct this study:

1. To determine the green marketing variables and their effect on consumer buying behaviour
2. To determine the Green Marketing practices which the marketer should consider for the success of their green products.

RESEARCH METHODOLOGY

In this paper, the study is based on secondary data which is collected from various websites, online journals and research papers from various authors.

GREEN MARKETING VARIABLES

The following are the green marketing variables and their effect on consumer buying behaviour is reviewed.

- 1. Eco-labelling-** Eco-labels are one of the important variables of green marketing. They are a part of packaging and they can be in the form of a piece of paper or any diagram. Labels provide knowledge about the brand product and many more information.
- 2. Eco-labels:** are very useful for consumers as they provide knowledge about how the product is made and so consumers can take a decision whether to buy the product or not. It helps consumers to identify environment friendly products. In a study done by Daria and Sara, they found that 43% of respondents believe that eco-labelled products are good for the environment and the same percentage of respondents think that they are good for health and environment both. Only for 2% of respondents eco-labels means nothing to them. This shows that eco-labels are effective in influencing consumers. And in the same study, 56% of respondents are even willing to pay more for such products. A large number of 73% respondents believe in the credibility of eco-labeled products.
- 3. Eco-brands:** A brand can be defined as “a name, term, sign, symbol, or design or the combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of a competitor” by American Marketing Association. A research done in western countries like USA and Germany, it is found that people are more positive towards the brands which are eco-branded.
- 4. Environmental Advertising:** Marketers are moving towards advertising either through media or newspaper to make consumers aware about their green products or services. Growing movements for green worldwide and consumers’ increasing concern for

environment making the marketers opt for environmental advertising. The objective of it is to influence consumers to buy the products that are harmless to the environment. Bing Zhu found in his research (done in Shanghai) that there is a need for well planned and organized design is required to carry out a green campaign. He also found that credibility plays an important role when launching the green advertisement to influence consumers to buy green products (Zhu, 2013).

5. **Environmental awareness:** consumers with environmental awareness can measure the cost of use and the effect of it on the society and the environment as well (Babaogul and Ozgun, 2008). India needs to raise the awareness level of consumers. Manufacturers in India have to put in extra efforts to raise the current low levels of awareness among consumers about green products (Maheshwari, 2014). Majority of respondents said that it is difficult for them to recognize the green products on the shelves and this shows the gap between efforts put to increase environmental awareness.
6. **Green Product:** companies innovate their products according to the needs and preferences of their consumers usually consumers tend to be concerned about the environment, so therefore companies prefer to produce products that are less harmful towards the environment. Environment friendly products tend to save money, water and other natural resources. As the products can be manufactured from reused materials or products that has been used before. The marketer's role in product management includes providing product designers with market-driven trends and customer requests for green product attributes such as energy saving, organic, green chemicals, local sourcing, etc., For example, Nike is the first among the shoe companies to market itself as green. It is marketing its Air Jordan shoes as environment-friendly, as it has significantly reduced the usage of harmful glue adhesives. It has designed this variety of shoes to emphasize that it has reduced wastage and used environment-friendly materials (Dua,2013).
7. **Green Price:** Among the entire green marketing mix price" is a standout, it is considered to be the factor in the green marketing mix that is most imperative and critical compared to the rest of the other factors in the green marketing mix. Not to mention that consumers are very sensitive to price changes and it easily affect consumers purchasing decision (Morel & Kwakye, 2012). Most purchasers might be willing to pay extra value if there is a self-impression of additional item value. Green marketing ought to look into visual appeal, taste, design, and performance while charging a premium price from the clients (Sharma, 2011). According to Dua (2013) Green marketing contemplates the profit, individuals and planet in a

manner that deals with the strength of workers and groups and guarantees proficient productivity.

- 8. Green Place:** This is related to distribution gates use that deal with green products, which are proper for customers, as far as encouraging their conveyance, and to secure cycling methods leading inside natural conditions and prerequisites (N. Hashem, 2011). According to K. Sudha lakshmi & Chinnadorai, (2014) green distribution consists of two different aspects which are defined as "inner and outer", by inner viewpoint, we mean the internal environment of the company that must be a spot in which supervisors and representatives have a feeling of peacefulness other than watching the natural issues in inward techniques of the corporation and the proportionality between the inside space and the planned item (Hashem & IRifai, 2011). Because of the agreeable and acceptable behavior of the employees, consumers seem to be gravitated by it. And on the other side outer aspect is defined as the place where environmentally-friendly goods and services are placed for sale.
- 9. Green Promotion:** There are numerous concerns among the buyers about environmental advertisement. Companies should give it a critical thought before they advertise their products, it's very important for companies to list the functions, design or uses of their products before they advertise them, this will help to avoid any misleading information about the products. According to Dua, (2012) designing the tools of promotion is what the green promotion includes. For instance, web sites, signage, material for marketing and white papers by keeping planet and individuals in mind as their main aim is to make profit. According to Sharma, (2011) green advertisement is categorized into three sorts:
 - ✓ Advertisements that push a green way of life by highlighting either a service or product.
 - ✓ Advertisement that present a relationship between two variables (goods and environment).
 - ✓ An advertisement that addresses a corporate image of environmental obligation satisfied with them.
- 10. Demographics:** Various researches in the past have established a relationship between demographics and green buying behaviour of consumers. It helps the green marketers to segment the market and cash the green behaviour of consumers. According to the study by Dimantopoulos and others in 2003, demographic variables were not sufficient to determine the profile of green consumers. But in the same study, it was found that women are more inclined towards the environment and they are more likely to show pro-environmental

behaviours. Married ones display more pro-environmental behaviour while there is a negative relationship between pro-environmental behaviour and age (Dimantopoulos et al., 2003).

GREEN MARKETING: RULES FOR SUCCESS

In an article, Ottman (2008) described the five simple rules for green marketing which the marketer should consider for the success of their green products:

- **Knowing The Customer:** To sell green products to consumers, the marketer must make sure that the consumers are aware and are concerned about the issues which are attempting to address (for e.g., consumers would not pay the premium prices for the CFC –free refrigerators until they did not know what CFC actually is and its impact on the environment). Hence, if consumers are not aware about the issue, the need to be informed about the issue first.
- **Empower Consumers:** Make sure that consumers feel that their buying behavior can make a difference; this is one of the main reasons why consumers buy green products.
- **Be Genuine and Transparent:** Marketers should be genuine and transparent about the specific environment friendly/green claims they make about their products and services. No false claims should be made about products and services.
- **Buyer Assurance:** Consumers need to believe that products which are bring Claimed as green products by the marketers must be able to meet the needs of consumers along with environmental benefits. Products and services claimed environmental benefits without meeting consumers' expectation may lead to failure.
- **Consider Your Pricing:** While charging premium prices for green products and services, the marketers need to make sure that consumer can afford the premium prices charged by them. The consumers need to feel that paying that much of a premium is worthy, as price is an important concern for employees.

SUGGESTIONS

Green marketing is still in its infancy and a lot of research is to be done on green marketing to fully explore its potential. There are some suggestion that an organizations should implement for catering challenges of green marketing and successful exploitation of green marketing.

- Consumer needs to be made more aware about the merits of Green products. The consumer needs to be educated and made aware of the environmental threats.
- Environment friendly behaviour is far and difficult to attain. Hence environmental awareness and attitudes should be created in the minds of consumers during their childhood days itself.
- It requires rigorous efforts at school level to create an attitude of environment sustainability.
- Eco clubs play an important role in creating environmental awareness amongst the future generation. So eco clubs should be there in all schools and colleges.
- Expand the consumer awareness of green products by creating effective green marketing campaigns or environmental related activities. The companies should try to more focus on the green features of the product in their marketing activities.
- Price is the attribute that consumers reflect on when making a green purchasing decision. Consumers are less likely to purchase green products if they are more expensive. So price should be reduced for the eco-friendly products.
- Companies should create ads that are more focused on green, eco-friendly image that will influence their customers purchasing decision.

Green marketing is very low on the agenda of most businesses and therefore it's still an under Therefore, effective green marketing targeted at the right audience will make a difference.

CONCLUSION

Condition can harm the lifestyle of individual. They have the obligation to ensure nature and condition. Use of green item will enable them to change their life to style into a green one. In any case, the mindfulness level on the use of green items among the general population is extremely restricted. There is a need to instruct the general population on the utilization of green items and on recognizing the green traits of items they utilize. This would ensure the earth for the future age.

It can be suggested that prices of the green products should be kept at an economical levels so that even an average income earner can also afford them. The biggest barrier in the purchase of green products is high prices. There is also a need to spread awareness about the labels and brands of eco-friendly products. It is required to make them aware of the eco-labels and eco-

brands as they find it difficult to identify the eco-labels and eco-brands among other non green products. Environmental advertising should be done in such a way as not to disguise the consumers about the concept of green.

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