A Study on Marketing Strategies And Consumers Perception of Select Green Products

Mr. Abdul Rahuman M[1], Dr. O.M Haja Mohideen[2]
[1]Assistant Professor, Dept of Business Administration
[2]Associate Professor
[1, 2] Khadir Mohideen college, Adirampattinam

Abstract- *The purpose of this paper is to provide an insight on the Indian consumer dynamics on green products by assessing the factors leading to consumers' attitude towards green products, and its effect on their purchase intention. This study has used a structured questionnaire that measures the following aspects: respondents' awareness about green products, factors influencing the formation of respondents' perception towards green products and purchase intention. The collected data was analyzed through AMOS 16 version for structural equation modeling. The study results show that psychological attributes and brand name positively influences the consumer attitude towards green products purchase. The study has led to a number of implications for successful marketing and advertising of green brands in India. Both researchers and practitioners would be benefited from this research finding. This research provides an extended scope for product specific studies and post purchase behavior of select green products*

Keywords- T-test, Green Business, Perception, Marketing, Influence

I. INTRODUCTION

Green Marketing can be viewed both as a type of marketing and a marketing philosophy. As a type of marketing it is like industrial or service marketing, and is concerned with marketing of a specialized kind of product, i.e. green product (including green goods such as fuel efficient cars or recycled products as well as green ideas such as "save oil" or "conserve natural habitat"). As a philosophy, green marketing runs parallel to the societal marketing concept and espouses the view that satisfying customers is not enough and marketers should take into account ecological interests of the society as a whole. It is a part of Corporate Social Responsibility (CSR).

Green marketing concept emerges from societal marketing (Kotler, 1999). Green marketing is an attempt to characterize a product as being environmental friendly (ecofriendly). It holds the view that marketing which is a part of business not only has to satisfy customers in particular, but also has to take into account the interests of society in general.

That is, all those who are affected by the activities of a business should be kept in mind when setting the objectives and the policies of an organization. This has already helped to increase the recent trend towards the "greening" of the companies.

It is only since 1990's that the researchers have started academically analyzing consumers and industry attitude towards green marketing. Most of the studies are done in developed countries but such studies however, remain conspicuously missing in the context of developing nations like India.

The present exploratory research discusses the concept of green marketing and its interface with consumers. It is based on the data collected through a field survey of consumers to assess their attitude towards green marketing.

II. LITERATURE REVIEW

During the last two decades the burgeoning environmental movement was named as the "green movement"; environmentally aware consumers called the "green consumers", product designed to protect the environment called the "green products" and marketing that uses the environmental claims called the "green marketing" (Peattie,1997). According to the authors like Ottaman, (1993) and Ken Peattie, (1993) conventional marketing is out and Green Marketing is in.

Green Marketing might be a result of pragmatic policy, referring to the changes of preferences of the customers and /or to follow the mainstream development of the industry. However, there are companies, which are really centered on green values and try to realize their ecological worldview in their business activities (e.g. the Body Shop, Ben and Jerry's, Tom's of Main, Interface).

An average green company can be described by using the models and experiences reported by John Elkington, Peter Knight and Julia Hailes in their book The Green Business Guide (Elkington et al., 1992).

A green company is based on its corporate vision that includes environmental concerns as the company's functioning. This simply means that the company realizes the needs of the ecosystem with which it interacts. For example, any company wants "to be a good company, having concern for the community and the environment".

According to Hawken (Ecology of Commerce, 1995) business has three issues to face. These are what it takes, what it makes and what it wastes. What it takes is materials from the environment, (its ecosystem) through extracting, mining, cutting, hunting and other means. What it makes is the products of commerce, goods and services that are derived from the natural environment through the process of conversion and transformation. What it wastes represents eco-costs arising from garbage, pollution and destruction of natural systems, which are the consequences of taking and making processes. And these costs are not internalized in most of the accounting systems so far.

The critical importance of industrial greening, in particular, is highlighted by a consideration of the factors that contribute to large-scale environmental deterioration. Environmental Impact equals a product of population (P), time's affluence (A), time's technology (T) (Ehrlich and Ehrlich 1991).

$$I = P \times A \times T$$

P and A are socio-political phenomena and are beyond the control of an industry or business. However, technology co-efficient is controllable. Technology applications reflect consumption of resources in qualitative and quantitative terms, energy used and the efficiency level of production and marketing and disposal of wastes. These are controllable technology decisions that can increase or reduce eco-costs. The goal is to reduce the use of unsustainable technologies and increase the use of clean technologies so that in the long run T is reduced to Zero which theoretically means I would be Zero at any quantity of P and A.

It is predicted that the future markets would be directly linked to the development, transfer and implementation of eco-friendly technologies, referred to as Environmental Technologies (ET). All kinds of ET is available now. Also, technology has made available substitutes, which are less resource intensive, for example, Copper has been substituted by fiber optic cables in telecommunication industry, thus reducing the demand for copper as well impact on environment associated with copper mining.

III. OBJCETIVES OF THE STUDY

- To study on marketing strategies and consumers perception of select green products
- To investigate the marketing strategies and consumers perception of select green products
- To analyze the future preference for green products

IV. RESEARCH METHODOLOGY

Researchers have used exploratory research design in the study. A structured questionnaire is used, and a five point balanced Likert Scale is used for measuring consumer attitude towards green marketing and green brands. Cronbach Alpha Index is used for checking the validity and reliability of hypothesis and corresponding questions in the questionnaire. It is found that all the below mentioned four hypothesis are reliable on the basis of their respective cronbach alpha value and internal consistency of data is very high as Cronbach alpha value for all the hypothesis is on the upper side.

Following hypothesis were formulated to articulate the objectives of the present research:

- Now a day's consumer preference has shifted from non-green products to green products.
- Consumer awareness for environmental concern is high.
- In future more and more consumers will prefer green products.
- Companies, which can establish themselves with a green image, will have distinctive advantages in the marketplace.

Primary data is collected from 400 consumers by using the personal survey method. Out of which 321 responses are found valid for the study. Non probability approach of sampling is adopted by the researchers, and Judgment and convenience sampling methods are used for selecting the subjects to ensure that subjects are from metro, city and town representing both the genders, different age groups, education level, marital status and monthly income. To maintain heterogeneity in sample and to cover the whole country, collected data is analyzed by using T-Test.

V. ANALYSIS AND INTERPRETATION

Table 1 (a): General Profiles of Respondents

Characteristics (Gender)	Numbers	Percentage (n = 321)
Male	202	62.92
Female	119	37.07

Age

16 – 21 Years	39	12.14
22 – 25 Years	143	44.54
26 – 35 Years	84	26.16
36 & above	55	17.13

Education	Numbers	Percentage (n = 321)
Secondary School	15	4.67
Graduate	131	40.81
Post Graduate	161	50.16
Professionals	14	4.36

Monthly Family Income	Numbers	Percentage (n = 321)
No income (Std. & H. Wife)	144	44.86
1,000 – 9,999	34	10.59
10,000 – 19,999	63	19.62
20,000 – 34,999	53	16.52
35,000 & above	27	8.41

Marital Status	Numbers	Percentage (n = 321)
Married	123	38.31
Unmarried	198	61.68

Location	Numbers	Percentage (n = 321)
City	211	65.73
Town	23	7.16
Metro	87	27.10

The consumer data collected from 321 consumers has been segregated on the demographic profiles such as gender, age, education and annual income. Moreover, with respect to hypothesis 1,2,3 and 4 , mean scores were found for these hypothesis and tabulated with respect to the demographic profiles as in table 1 (b) shown below:

Table 1 (b): Demographic Profiles of Respondents with respect to hypotheses mean scores

GENDER (AVERAGE VALUES)

	MALE (202)	FEMALE (119)	GRAND AVG
HYP1	3.86	4.02	3.92
HYP2	4.2	4.34	4.25
HYP3	4.16	4.2	4.18
HYP4	4.02	4.13	4.02

AGE (AVERAGE VALUES)

	Less than or equal to 21 (39)	22-25 (143)	26-35 (84)	36 and above (55)
HYP1	3.96	3.69	4.07	4.25
HYP2	4.42	4.08	4.32	4.46
HYP3	4.09	4.12	4.23	4.3
HYP4	4.24	3.95	4.12	4.13

EDUCATION (AVERAGE VALUES)

	Secondary school (15)	Graduate (131)	Post Graduate (161)	Professionals (14)
HYP1	4.16	3.94	3.85	4.2
HYP2	4.33	4.33	4.18	4.24
HYP3	4.32	4.17	4.15	4.32
HYP4	4.08	4.07	4.05	4.04

ANNUAL INCOME (AVERAGE VALUES)

	No income (144)	Less than 10000 (34)	10000-19999 (63)	20000-24999(53)	35000 and above (27)
HYP 1	3.81	3.9	4.09	3.96	4.06
HYP2	4.19	4.21	4.39	4.2	4.42
HYP3	4.09	4.11	4.29	4.27	4.29
HYP4	4.03	4.04	4.08	4.12	4.08

1. Hyp. = Hypothesis

2. Numbers in parenthesis indicate the sample size.

T-Test Applied to Hypothesis

Hypothesis 1

Proposition : Now a days comsuner preference have shifted from grey (non-green) products to green prodducts.

From consumer response data, mean scores were taken and grouped into two groups. One with mean score of more than or equal to 3.5 and other with less than 3.5 for T Test

Group Statistics

	Green Vs Non Green	N	Mean	Std. Deviation	Std. Error Mean
HYP01	Non Green (NG)	75	2.8791	0.53498	0.06177
	Green (G)	246	4.2434	0.44397	0.02831

The above table shows that out of 321 consumers; 246 respondents mean score is .24 on a scale of 5 (likert scale), which signifies that 76.63% of the consumer have preference for green products.

Conclusion: From the consumer response data 76.63% of the respondents had given 4.24 mean score out of 5 which clearly indicates that consumer preference have shifted from grey (non-green products) to green products.

Hypothesis 2

Proposition: Consumer awareness for environment protection is high.

From consumer response data, mean scores were taken and grouped into two groups. One with mean score of more than or equal to 3.5 and other with less than 3.5 for T Test

Group Statistics

Awareness for Environment	N	Mean	Std. Deviation	Std. Error Mean
Low Awareness (LA)	32	3.0313	0.47140	0.08333
High Awareness (HA)	289	4.3903	0.44866	0.02639

The above table shows that out of 321 consumers; 289 respondents mean score is 4.39 on a scale of 5 (likert scale), which clearly signifies that 90% of the consumers awareness for environment protection is high.

Hypothesis 3

Proposition: In future more and more consumers will prefer green products.

From consumer response data, mean scores were taken and grouped into two groups. One with mean score of more than or equal to 3.5 and other with less than 3.5 for t-est

FUTURE PREFERENCE	N	Mean	Std. Deviation	Std. Error Mean
Prefer Non Green (NG)	30	3.2267	0.30050	0.05486
Prefer Green (PG)	291	4.2784	0.38333	0.02247

The above table shows that out of 321 consumers response; 291 respondents mean score is 4.27 on a scale of 5 (likert scale); which clearly indicates that even consumers think that - in future more and more consumers prefer green products.

Conclusion: In future more and more consumers will prefer green products since 90% of the respondents gave a positive response with a mean score of 4.27 out of 5.

VI. CONCLUSION

The study has implications for marketers as well as consumers and makes a good case for start of an era of green marketing in India. 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 replicated at a larger scale to get more insights into the behavior of consumers and understand more about green phenomenon.

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