

Green marketing and its impact on consumer buying behaviour

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Abstract: *Green marketing is going to be proactive topic with it steps into the world of the consumers where consumers are not only aware for the multiple brands and their perceived quality but also they have started to pay more attention to the environment and thereby becoming more eco friendly. Therefore the companies are also exploring the various ways for communicating with the customers so that customers can be retained as loyal for long by adopting green management The aim of the study is how consumer buying behavior is affected by the green marketing and how companies can get the competitive edge by adopting it. How demand could be enhanced by pursuing the green strategies and what challenges would be faced by the companies in going green. The results from this illustrates that companies need to increase their communication with the customers for going green, and that attributes like price and quality are more important than “environmental responsibility”. The research study took place in Rohini district of Delhi. The data has to be collected from multiple sources of evidence to understand the importance of green and sustainability management, in addition to books, journals, and websites.*

Keywords: *Green marketing, consumer behavior, green management, sustainability.*

I. INTRODUCTION

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 itself 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 consciences with their dollars, 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. Presenting a product or service as green when it's not is called greenwashing. Simply put, green cleaning is about using products that are safe and healthy for you and the environment and about employing eco-friendly cleaning practices, like reducing water usage. It's also about using products from conscientious companies with sustainable business practices. "Green" is an umbrella term that refers to products and practices that are organic, sustainable and/or otherwise environmentally friendly.

A product may be considered “green” if it:

- Conserves water and energy
- Prevents contributions to air, water and land pollution
- Protects indoor air quality
- Uses renewable, responsibly sourced materials
- Produces little environmental impact
- Is manufactured in an environmentally conscious way
- Using one's own bag, rather than a plastic carrier provided by a shop.

Broad and fairly ambiguous, the terms “green” and “eco-friendly” may be misleading. For example, a product labeled “green” may have been responsibly sourced but may not necessarily be [organic](#). What's more, some manufacturers have been known to intentionally mislead consumers in a practice known as “greenwashing.” Products and businesses that have been greenwashed may appear to be eco-friendly, but upon closer inspection, often amount to little more than a well-executed green marketing campaign.

For green marketing to be effective, you have to do three things; be genuine, educate your customers, and give them the opportunity to participate.

1) Being genuine means that

- a) that you are actually doing what you claim to be doing in your green marketing campaign and
 - b) that the rest of your business policies are consistent with whatever you are doing that's environmentally friendly.
- Both these conditions have to be met for your business to establish the kind of environmental credentials that will allow a green marketing campaign to succeed.

2) Educating your customers isn't just a matter of letting people know you're doing whatever you're doing to protect the environment, but also a matter of letting them know why it matters. Otherwise, for a significant portion of your target market, it's a case of "So what?" and your green marketing campaign goes nowhere.

3) Giving your customers an opportunity to participate means personalizing the benefits of your environmentally friendly actions, normally through letting the customer take part in positive environmental action.

WHY IS GREEN MARKETING CHOSEN BY MOST MARKETERS?

Most of the companies are venturing into green marketing because of the following reasons:

Opportunity in India, around 25% of the consumers prefer environmental-friendly products, and around 28% may be considered healthy conscious. Therefore, green marketers have diverse and fairly sizeable segments to cater to. The Surf Excel detergent which saves water (advertised with the message—"do bucket paani roz bachana") and the energy-saving LG consumers durables are examples of green marketing. We also have green buildings which are efficient in their use of energy, water and construction materials, and which reduce the impact on human health and the environment through better design, construction, operation, maintenance and waste disposal.

b. Social Responsibility

Many companies have started realizing that they must behave in an environment-friendly fashion. They believe both in achieving environmental objectives as well as profit related objectives. The HSBC became the world's first bank to go carbon-neutral last year. Other examples include Coca-Cola, which has invested in various recycling activities. Walt Disney World in Florida, US, has an extensive waste management program and infrastructure in place.

c. Governmental Pressure

Various regulations are framed by the government to protect consumers and the society at large. The Indian government too has developed a framework of legislations to reduce the production of harmful goods and by products. These reduce the industry's production and consumers' consumption of harmful goods, including those detrimental to the environment; for example, the ban of plastic bags in Mumbai, prohibition of smoking in public areas, etc.

d. Competitive Pressure

Many companies take up green marketing to maintain their competitive edge. The green marketing initiatives by niche companies such as Body Shop and Green & Black have prompted many mainline competitors to follow suit.

e. Cost Reduction

Reduction of harmful waste may lead to substantial cost savings. Sometimes, many firms develop symbiotic relationship whereby the waste generated by one company is used by another as a cost-effective raw material. For example, the fly ash generated by thermal power plants, which would otherwise contributed to a gigantic quantum of solid waste, is used to manufacture fly ash bricks for construction purposes.

II. BENEFITS 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 responsible to consumers' aspirations 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,

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

III. LITERATURE REVIEW:

A study by Peter Kangis (1992), proposes that the challenges both for marketing specialists and for consumers, raised by the concept of green marketing, are due to several issues, such as the lack of an acceptable definition for green marketing, the absence of a clear understanding of cause-and-effect relationships in matters affecting the environment, and the overt and covert reasons for concern about such issues. Suggested that, in the hands of unscrupulous marketers, green marketing can turn into green gold. An important study by Vasanthkumar N. Bhat (1993) suggests since inputs, manufacturing processes, distribution, use and disposal methods are decided during the design stage, any company venturing out with a green marketing program must start with green design. Presents source reduction and waste management strategies to cut down wastes, and also presents a method to compare green design alternatives which can provide designers with guidance to select superior designs. As a product must meet several criteria, suggests a concurrent rather than sequential product development approach. Concludes with tips for top management to improve green design in their organizations. Another study by John Grant (2008) aims to look at how companies obtain a greener strategy and what is the future of green marketing. A study by Elham Rahbar (et al, 2011) proposes to determine the effect of green marketing tools on consumer's actual purchase behaviour in case of Penang (Malaysia). A survey was carried out on 250 Chinese, Malay, Indian and other races that represent the Penang population. Factor analysis, Cronbach alpha and multiple regression were used to identify factors impact on Penang consumers actual purchase behaviour. The result revealed that customer's trust in eco-label and eco-brand and their perception of eco-brand show positive and significant impact on their actual purchase behaviour. According to Hallin (1995) and McCarty and Shrum (2001), people engage in environmental behavior as a result of their desire to solve environmental problem, to become role models and a belief that they can help to preserve the environment. However, consumers' indications of positive attitude towards environmental issues do not necessarily lead to actual environmentally friendly purchasing behavior (Laroche et al., 2002). Majority of consumers do not purchase products based on the environmental concern alone and they will not trade-off other product attributes for a better environment. Businesses and consumers today confront one of the biggest challenges – to protect and preserve the earth's resources and the environment. They have become more concerned with the natural environment and are realizing that their production and consumption purchasing behavior will have direct impact on the environment (Laroche, Bergeron, and Barbaro-Forleo, 2001). This awareness is congruent with the belief that the world's supply of natural resources is finite and the ecological balance of the environment may be at a critical disruption stage (Hayes, 1990). In addition, the great majority of our environmental problems – excess garbage, pollution, waste of energy and material, etc. are the result of consumers' consumptive behaviors.

Objectives

The aim of this study is to find out how consumer behavior is influenced by Green Marketing by Companies.

To exhibit the challenges being faced by companies pursuing green marketing.

To study the relationship between consumers' attitude and perception towards green marketing

To analyse consumer's willingness to pay high for green products.

HYPOTHESIS:

The purchase behaviour of buyers is not influenced by green marketing practices of organisations.

Research methodology

Data collection

Sample method

For reasons of convenience, Rohini, Delhi (India) is selected, being representative of the Delhi socio-demographic profile. Sample Data has been collected from randomly selected buyers from markets / retail outlet of the green products.

Primary data would be collected through questionnaires. The questionnaire contained questions -asking like your purchase decision is affected by green marketing activities of the company, repurchase decision is affected or not, how much extra you are ready to pay etc Secondary data

Sample Size-

A Random sampling strategy would be carried out. A survey of about 100 consumers belonging to Rohini and Naharpur district of Delhi would be taken. They are familiar with the purchase of these products and also responsible for the purchase decisions.

DATA ANALYSIS

Likert 5 point scales were used in all measures. In order to achieve the objective of the study, the statistical tool has been used to analyze the data.

Findings

- 1) 70% of respondents are aware of green products
- 2) 30% can pay more for eco friendly products
- 3) 60% have agreed that there is enough information about the products while 40% not.
- 4) 50% of the population in the sample agrees or strongly agrees that the organisations should practice green marketing.
- 5) majority of the people are not concerned about organisations polluting environment as 58% are neutral regarding the issue.
- 6) 60% customers are not affected by green marketing while making purchasing decision and 40% are affected.
- 7) 55% buyers prefer to repurchase such products which are green and 45% are not affected.
- 8) Survey Questionnaires provided to reflects a social consciousness around respondents: saving and advancing the Earth's natural

In short Green marketing encourages consumers to use eco-friendly products and manufacturers to develop more.

The awareness about the products should be done through advertising so that individual buying behaviour can be changed which can have an impact on the welfare of the environment. It is also important that companies aiming at developing new eco-friendly products should ensure that products perform competitively.

Challenges of green marketing

Green products require renewable and recyclable material, which is costly

Requires a technology, which requires huge investment in R & D

Water treatment technology, which is too costly

Majority of the people are not aware of green products and their uses

Majority of the consumers are not willing to pay a premium for green products

IV. CONCLUSION

Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. If you think customers are not concerned about environmental issues or will not pay a premium for products that are more eco-responsible, think again. You must find an opportunity to enhance you product's performance and strengthen your customer's loyalty and command a higher price. Green marketing is still in its infancy and a lot of research is to be done on green marketing to fully explore its potential.

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