

A ROLE OF GREEN MARKETING AND ITS EFFECT ON CONSUMER PURCHASE BEHAVIOR

**MS. ANSHUL AGARWAL
ASSISTANT PROFESSOR
INSTITUTE OF PROFESSIONAL STUDIES
GWALIOR(M.P.)**

ABSTRACT

The concept of green marketing had been emerged very vast in these years and took an important place in each and every corporations and industries. It had been seen that companies were focusing more on green marketing practices to capture a large market share and attract the customers. Even consumers, who play a vital role in smooth functioning of marketing had also been observing the green practices by different companies and also been influenced by it. There had been a new change in the consumer lifestyle and their attitude towards green practices. The new initiatives had been taken place and given a new shape to marketing mix by making these practices green. Keeping in consideration the environmental issues and innovation in traditional methods of marketing, green marketing had been proofed a new birth to marketing world. Green marketing had also encouraged the consumers for being aware and purchase green products more for saving themselves with the environment. This paper had described various green marketing practices and their effect on the purchase behavior of the consumers.

Keywords: Green Marketing, Marketing Mix, Environment, Purchase Behavior

INTRODUCTION

Green marketing is the marketing of environmentally friendly products and services. It is becoming more popular as more people become concerned with environmental issues and decide that they want to spend their money in a way that is kinder to the planet. Green marketing can involve a number of different things, such as creating an eco-friendly product, using eco-friendly packaging, adopting sustainable business practices, or focusing marketing efforts on messages that communicate a product's green benefits. This type of marketing can be more expensive, but it can also be profitable due to the increasing demand.

The concept of green marketing is concerned about protection of ecological environment. Growth in marketing activities resulted into rapid economic growth, mass production with the use of advanced technology, comfortable and luxurious life, style, severe competition, use of unhealthy marketing tactics and techniques to attract customers, exaggeration in advertising, liberalization and globalization, creation of multinational

companies, retailing and distribution by giant MNCs, etc., created many problems. All of these things had affected the nature on a large scale and the need had been arose for protecting the environment for a healthy and stable life.

Environmental sustainability is not simply a matter of compliance or risk management. Businesses are increasingly recognizing the many competitive advantages and opportunities to be gained from eco-sustainability. Worldwide evidence indicates that people are concerned about the environment and are changing their behavior accordingly. As a result, there is a growing market for sustainable and socially responsible products and services. The types of businesses that are emerging, what they manufacture, and their approach to marketing are changing. Green marketing is the marketing of products that are presumed to be environmentally preferable to others. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, sustainable packaging, as well as modifying advertising. The marketing industry can 'walk and talk' and become the new corporate champions of the environment. Successful green marketers will reap the rewards of healthy profits and improved shareholder value, as well as help to make the world a better place in the future.

GREEN MARKETING MIX

GREEN PRODUCT: Product constitutes the first P of marketing mix. Many companies these days are quite serious of the ways the products are being manufactured. Different upgraded methodologies and systems are in place while assessing the impact of manufacturing on environment. The real challenge lies in front of industries which are trying to cut down the manufacturing cost by incorporating plastics and different fiber materials to lower the weight and cost of the manufactured tangible product. Here polymers are being considered as great substitutes for metals. It would be quite challenging for the companies to justify their stand on green products if they are using such low cost non-biodegradable material in their operations. The argument here would be how products manufactured from non-biodegradable plastic material can be considered as green products.

GREEN PRICE: Price refers to the amount paid by the customer to purchase a product. The price of a product is influenced by several factors like cost of material, product differentiation, competition, market share and the customer's perceived value of a product. When it comes to pricing the question arises as to how firms ensure green marketing while pricing their products. In this discussion it would be quite convincing that green products are relatively costlier than non-green products. The cost of absorbing environmental concerns is relatively high compared to conventional ones. It can be argued that

green marketing pricing should be affordable to a common customer.

GREEN PLACE: Place is generally referred to as the distribution channel or distribution network. Place can be any physical store as well as virtual stores. The process involved in transferring products from the producer to the consumer is known as physical distribution. Green place in that sense can be anything which minimizes the customers and the manufacturer's effort in acquiring and selling a product respectively. Many firms now-a-days have started selling their products online. This really cuts down the customers cost to practically visit a market place, select a store and then purchase the product. Firms have come up with their own websites which displays the merchandise and the customers have to place the order online and get the delivery of product within few days. The internet can really be termed as a green place as it offers an unmatched comfort to the customer and this also saves cost to the manufacturer in way of commissions or cuttings given to various middlemen. The challenge in selling a product on a green place would be in terms of sensing the features of a product and experiencing it. The green place should be enough in convincing the smart customer about the product features.

GREEN PROMOTION: Firms undertake promotional activities so as to create awareness about the product/services they make. It always has been an expectation from the top management of organizations to have an optimum promotional budget

that creates good awareness and influences the target audiences for further purchases. Talking in terms of green promotion would then be meeting this optimum level. The optimum level needs to be taken forward not only in terms of the promotional expenses but also the different ways in which promotion is being affected.

Re-engineering green marketing "Green Marketing is the marketing of products and services that are not only environment friendly but also preferably acceptable to various stakeholders in the society. Various dimensions on which green marketing are based are a broad range of activities including product modification, production process, product packaging, product transfer, and ethical product promotion."

LITERATURE REVIEW

As defined by Tapan K. Panda "Green Marketing consists of all the activities that make the consumer to focus on the environment safety and take their purchasing decision with regard to the natural environment safety and its management".

The National Marketing Institute estimates that about 80 percent of consumers are engaged by green marketing at some level, with about 17 percent of consumers highly engaged. This consumer group, referred to as LOHAS (Lifestyles of Health and Sustainability). These are those who like to pay a premium for green products. This group (also more affluent and educated than the general population) is interested in green products as they appeal to health

considerations. Highly price-sensitive consumers are the least responsive to green marketing. Green marketing faces a big challenge on price sensitivity and level income as not all are ready to pay more than expected price for the green product, keeping aside the issue of health of the environment.

Green products are typically durable, non-toxic, made from recycled materials, or minimally packaged (Ottman, 1997). Many consumers make a perception that the green products are more priced than other conventional products (Peattie, 1999; Polonsky, 2001). Green pricing takes care of the human, environment, planet as a whole and consider the health management of the community and society. Here, the consumer would think for a moment about his/her pocket before going for a green product as a consumer always thinks about is the purchasing power capability. Sometime consumer keeps the environment first before the price, but not always they consider or we can say not all consumers takes the green product as a first preference keeping aside the other purchasing factors. Sometimes, they also purchase green product going out of the pocket.

hypothesis 1 – Green product pricing is positively associated with the consumer purchase capability.

Nowadays, most of the firms are more focused towards sustainable environment and are ready for trying the new era of green marketing with an objective of green and safe environment (WongFuiYeng&RashadYazdanifard,2015)

Green marketing acquired an eminent status since early 1990s. There has been occurring about green consumers and green consumerism in 1970s and 1980s. Henion and Kinnear (1976) defined green consumers as environment focused consumers while Antil (1984) described green consumer as a specific type of conscious consumer who is very protective towards the environment and its issues. 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 occurs, with minimal detrimental impact on the natural environment.” According to Scholossberg (1993) as quoted by Polonsky (1997), Green promotion helps in lessening the gap between the consumer and environment. Also, it helps in making the education spread about environment issues and how to overcome with each one’s contribution.

Hypothesis 2 – Consumer is positively associated with the effect of green promotion.

Various studies and strong acceptance opinion taken by consumer shown the positive interest of the consumer towards environment issues and acceptance of green product 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). According to this paper, there is a positive relationship between the green place and buyers

purchasing behavior. A majority of polls indicate that consumers favor green products, and are willing to pay more for them. However, the fact is that higher-priced green products have always struggled for market share. In many industries they garner only 3 percent of total market share in the consumer market; in business-to-business markets, green marketing often commands greater results. This doesn't mean that consumer are not caring about any factor but they are also taking into consideration the various other factors associated with the green product like quality, cost, transportation and production place. Green place means that how the companies are planning their green production that would lessen the transportation cost and the logistics part so as to save time and cost with a better effective quality.

Hypothesis3–Consumer is positively associated with the product which involve inhouse green production

RESEARCH METHODOLOGY

TYPE OF RESEARCH

The type of research that is used is qualitative and quantitative research both. Qualitative research is done to analyze the consumer behavior in respect of the green product and their responses towards the purchasing decision they made at the time of selection of green products. Also, this paper also contains the statistical and numerical data based on the questionnaire

filled by 35 respondents. Findings are totally on the Reponses recorded and hence, it supports the quantitative data.

SAMPLING METHOD

100 respondents had been selected for this research on random basis. The respondents are from various places as they have been selected simultaneously in the different super market stores while shopping. The list of places are big bazar, M.D. Sons (a big departmental store in Gwalior) and Eazyday. Data collection is made during the week holidays i.e. Saturdays and Sundays as these days' people are in mind of purchasing different products and answers the questionnaire in unbiased way without any pressure.

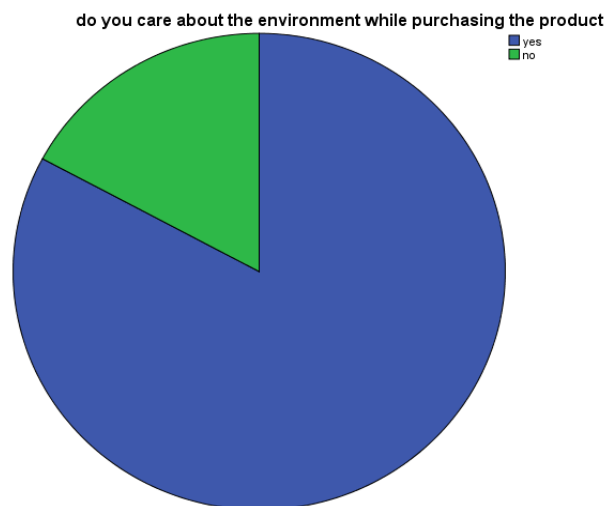
The group of respondents include the age group above 23 years till 35 years and most of them are working professional who frequently visit the store for daily needs products to purchase.

Both primary and secondary data are been used for the survey and result that will came out of this research. Questionnaire is formed with a Likert scale type and responses are recorded and analyzed through the software SPSS.

RESULTS AND INTERPRETATION

The below pie chart shows amount the awareness and concern about the environment by our consumers. The consumer always keeps in mind about the safety of the environment while purchasing any type of product. And this also inculcates that our consumer is aware about the environment issues and are

contributing towards the protection of ecology.



Also, the consumers are ready to pay more price for the green product. Results showed that 75% of the respondents who are aware about the green product are ready to pay more price than the other product for the green product. So, this clears the above statement or hypothesis that the consumers are able to pay more for the green product. They are positively correlated with the green price and the green product.

Coming to the second hypothesis, respondents had answered that they get influence when they see the promotion of green products and also, when they saw the type of promotion is environmental friendly they are more motivated towards that particular product. So, they accepted that they would prefer the product that had a promotional activities eco-friendly and that also makes them contribute towards the green and clean environment and to be a social citizen of a country. So it is clear that the hypothesis is correct. there is a positive correlation between effect of green promotion on then consumers.

The last statement also shows the positive relationship between the consumer and their involvement with the product which has in-house green production in a green

place. According to the recorded respondents, they have answered that their purchase decision get effected when they saw that the particular product is made in a more clean, green place and involves all in-house production without involving any out activities in its formation till it is full and final made.

CONCLUSION

The consumers are now technology oriented and they are very well exposed to the external environment. Besides this they are now educated and had a power to analyze their decision regarding any purchase they are making related to nay product. Continuous diminishing environment health and increase in the level of global warming has made the consumer warn about the activities they are performing related to the environmental safety. So, they are more focused and ready to contribute as much as they can towards the safety of the ecology.

Also, in the corporate world it is very necessary to focus on their production activities to minimize the dependency on the environmental sources and also promote their valuable social activities to the consumer as they are ready to accept such products which would save the environment and boost up its health. The consumers are very well aware and give a positive outlook towards a green product and expect to make more contribution towards the concept of 'green and clean' always. There is a need to analyze the consumer behavior with respect to the green product coming up from time to time and making those required changes as per the required scenario of the environment and consumer.

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