



GREEN MARKETING: EFFECT ON CONSUMER'S PURCHASING DECISIONS WITH SPECIAL REFERENCE TO VIRUDHUNAGAR

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ABSTRACTION

The process of selling products and/or services based on their environmental benefits is termed as green marketing. Today's consumers are becoming more and more conscious about the environment and are also becoming socially responsible. While green marketing is growing greatly as increasing numbers of consumers are willing to back their environmental consciousnesses with their dollars, it can be dangerous. In this case, the researcher wants to check whether the green marketing techniques adopted by the companies having any impact on purchasing decision of consumers in Virudhunagar. This descriptive research has convenient sampling technique and for making analysis of the collected data, Descriptive Statistics (Mean, Standard Deviation and Percentile) with the help of SPSS version 20.0 have been used. The various factors influencing consumers purchasing decision in case of implementing green marketing is categorized using Likert Scale. Both primary and secondary data have been collected for the present study.

1.1 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 consciousnesses 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.—Greenll 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:

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

1.2 IMPORTANCE 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.

1.3 REVIEW OF LITERATURE

Vernekar and Wadhwa (2011) define the green consumer as a person “who adopts environmentally-friendly behaviours, and/or who purchases green products over the standard alternatives”.

Balderjahn (1988) such green consumers are the consumers who have positive attitudes towards the environment and are more willing to purchase green products.

Pickett et al. (1995) if the communications of green branded attributes are not properly undertaken, environmentally sustainable products will tend to be commercially unsuccessful.

W. Coddington (1993) has suggested that green positioning is an important factor that leads to the success of green branding strategies.

Schlegelmilch et al. (1996) the perceived trade-off between functional performance of the brand and its effects on the environment leads to negative consumer responses and reactions. **Hartmann et al., (2005)** state that emotional brand benefits are the

significant factor motivating consumers to change actual purchase behaviour to buy eco-friendly products.

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.

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.

John Grant (2008) aims to look at how companies obtain a greener strategy and what is the future of green marketing.

1.4 OBJECTIVES OF THE STUDY

This research study conducted in Virudhunagar tries to determine the following :

- a. Whether the consumer purchasing decisions in Virudhunagar are influenced by the green marketing practices undertaken by the companies.
- b. A proper green marketing mix for the consumers as a whole.
- c. The challenges faced by companies nowadays while pursuing green marketing activities.

1.5 HYPOTHESIS OF THE STUDY

H0: The consumer purchasing decisions in Virudhunagar are influenced by the green marketing practices undertaken by the companies.

1.6 RESEARCH METHODOLOGY

An exploratory research design and a quantitative research approach have been undertaken in this research study. Secondary data were initially collected from books and the internet, and then a well structured questionnaire was prepared for collecting the required primary data. There were two sections in the questionnaire which related to the characteristics of the respondents and the impact of the green marketing activities on their buying behaviour. A number of open

ended and close ended questions along with a Likert Scale have been incorporated into the questionnaire. A survey was conducted in the different areas in Virudhunagar, and the sample of respondents included consumers in various retail stores in Virudhunagar . A convenience sampling method of non-probability sampling has been adopted in this research study and the samples have been drawn from 100 respondents, in the various retail stores in Virudhunagar. Personal interview as the contact method has been incorporated in this study. Descriptive Statistics (Mean, Standard

Deviation and Percentile) with the help of SPSS version 20.0 have been used in this study for analysing the primary data, which is collected with the help of the self-administered questionnaire.

1.7 DATA ANALYSIS AND INTERPRETATION

The following table highlights the number of responses generated towards age, gender and where do the respondents stay.

TABLE 1.7.1 Total Responses Generated

Particulars		No. of respondents
Age	16-30 years	38
	31-50 years	34
	51 and above	28
Gender	Male	56
	Female	44
Place of residence	Rural	41
	Semi urban	31
	Urban	19
Total		100

Source : Primary Data

From the above table it is found that the majority of respondents fall in the age group of 16 to 30 years and are males. Moreover, the majority of the respondents are from Rural and semi urban areas of Virudhunagar.

1.7.2 To analyse whether the consumer purchasing decisions in Virudhunagar are getting influenced by the green marketing practices, the following parametric tool is used :

Table 1.7.2 below highlights the mean and standard deviations of the responses generated towards the following issues:

1. To check whether the respondents feel that companies should undertake green marketing activities

2. To identify whether the respondents are concerned about the companies polluting the environment in which they operates
3. To findout whether the respondents feel that companies should abide by the environmental laws present in the country
4. To illustrate whether the respondents are willing to pay an extra price for the “green” products
5. To evaluate whether the respondents purchase behaviour is affected by the green marketing activities of the companies
6. To elucidate whether the respondents are willing to repurchase the “green” products

Table No. 1.7.2
Influencing factors on consumers purchasing decisions regards with Green marketing

		Undertake the green marketing activities	Concern about pollution	Abide by the laws	Pay an extra price	Purchase Behaviour	Repurchase the 'green' product
N	Valid	100	100	100	100	100	100
	Missing	0	0	0	0	0	0
Mean		2.3200	3.2800	2.2600	3.4100	2.9100	2.7800
Std.Dev		1.08901	0.83924	0.9831	0.9816	1.0166	1.4209
Range		4.00	4.00	4.00	4.00	4.00	4.00
Minimum		1.00	1.00	1.00	1.00	1.00	1.00
Maximum		5.00	5.00	5.00	5.00	5.00	5.00

Source : Analysed Data

Table No. 1.7.3
Factors regarding purchase decisions in respect of green marketing practices

Particulars	5	4	3	2	1	Total
Undertake the Green Marketing Activities	21	29	34	11	5	100
Concerns about Environmental Pollution	2	11	56	22	9	100
Abide by the Laws	24	28	41	6	1	100
Pay an Extra Price	6	20	31	30	13	100
Purchase Behaviour	21	19	32	15	13	100
Repurchase the "Green" Product	21	23	25	20	11	100

Source : Primary Data

From the above table it is elucidated the following findings:

- ☉ It highlights that 50% of the total number of respondents agree, or strongly agree that the companies should undertake green marketing activities.
- ☉ The majority of the people i.e.56% are neutral about the companies polluting the environment in which they operate.
- ☉ The majority of the respondents feel that the companies should abide by the environmental laws.
- ☉ The majority buyers are not willing to pay an extra price for the „green“ products offered by the companies.

☉ The purchase decisions of 60% of the respondents are not affected by the green marketing activities undertaken by the companies, and the purchase decisions of only 40% of the respondents are affected by the green marketing activities undertaken by the companies.

☉ It highlights that 44% of the consumers prefer to repurchase the „green“ products, while 56% are not willing to repurchase such „green“ products.

1.8 The challenges faced by companies nowadays while pursuing green marketing activities

Although companies are shifting towards green marketing activities, a number of obstacles have to be crossed in order to ensure that the companies achieve competitive advantage in the markets. Firstly, the companies have to invest a lot of money in R&D activities as they have to adopt new technology and integrate appropriate green strategies into their product development processes. Sometimes companies have to use proper water treatment technologies which are quite costly. Secondly, the companies must use renewable and recyclable materials to produce their “green” products. These materials are usually costly. Thirdly, the consumers may not willing to pay a premium price for these products. So the companies must try to offer products with added value to the consumers, in order to satisfy them. Lastly, many people may not be aware of such products and their uses. So the companies must undertake appropriate promotional strategies and must also ensure that their products are available in the markets.

1.9 FINDINGS

Green marketing is the new concept being adopted all over the world. In order to preserve and protect the earth’s natural environment and finite resources, both the marketers and the consumers are nowadays focusing on green products and services. This research study helps to highlight that the consumer purchasing decisions in Virudhunagar are not influenced by the green marketing practices undertaken by the companies. Consumers agree to the fact that the companies must undertake green marketing activities, but they are neutral about the companies polluting the environment in which they operate. However, such consumers also feel that the companies should abide by the environmental laws set in the country. Moreover, the majority of the buyers are not willing to pay an extra amount for the green products offered in the market and they are not affected by the green marketing activities undertaken by the companies. Furthermore, the majority of the consumers are not willing to repurchase the “green” products again from the market. In order to achieve competitive advantage in the market, companies must utilise the 4Ps of the green marketing mix appropriately and they must overcome the challenges of integrating appropriate green strategies into their operational activities, product development processes, and marketing activities.

1.10 CONCLUSION

Green marketing is still in its infancy in India and more research needs to be undertaken on different aspects of green marketing to explore its potential to the maximum possible extent. When companies adopt

green marketing activities, they should ensure that the economic aspect of marketing is not neglected. Thorough understanding of the implications of green marketing activities must be undertaken by the companies so as to ensure that they achieve competitive advantage in the markets. The companies must keep in mind that the consumers are very much concerned about the environmental issues cropping up in the country and they are very much willing to pay a premium price for the “green” products, if these eco-friendly products provide an extra value to the consumers. Companies can command a higher price if they can enhance the product’s performance and offer extra product value by providing better visual appeal, better functions, improved performance, better design, or better taste. Thus, companies must try to locate these opportunities and must take advantage of them.

1.11 REFERENCES

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