Green Marketing: Awareness and Acceptability of Green Products and Green Initiatives in Northern India

Dr. Manjri Tejpal[1]

[1]*Professor, RIMT-IMCT, Mandi Gobindgarh, Punjab, India*

Abstract: *Environmental issues and consumer awareness towards environmental safety has made organizations think about ways and means to promote green products and services. In the present competitive scenario Green products and services not only make organizations fulfil their corporate social responsibility but it also gives competitive advantage to them and help in differentiating their products and services. Green marketing this way makes business more sustainable as it offers organizations a chance to find a new market and a set of new target audience. The study has been conducted in Punjab and Chandigarh to understand customers' perspective regarding green products and green initiatives taken by the organizations taking into consideration the demographic variables [RED of the respondents].*

Keywords: *Green Marketing, Customer Perception, Green Products and Services, Sustainable Development*

I. INTRODUCTION

As consumers are becoming more educated and aware, it has become highly important to have a sustainable, pollution free environment, and hence the concept of green marketing. The concept of green marketing has evolved from the societal marketing orientation (Kotler, 1999) as it not only satisfy customers' needs, but also takes into consideration the overall interests of the society, which includes all who are affected by business activities. Sustainable development has evolved as a means of preserving the world's resources while it is actually a way to manage the resources. Realizing this, these days one of the key business strategies ensuring sustainable development has taken the shape of Green Marketing. American marketing association, defined Green marketing as the marketing of product which are acknowledged to be environmentally safe thus green marketing integrate an extensive range of activities, together with product alteration, changes in the production process, packaging and also adding changes in advertising of these products and services. Green Marketing aids to the sustainable development of businesses. Sustainable development can be defined as the way in which resources are utilized to meet human needs in a manner that the environment is also preserved to meet the requirement of future generation as well. When we discuss business sustainability, it includes sustainability in three different areas i.e. economic, environment and sociopolitical. Green marketing supports business organization to prosper in the most suitable manner in the present ever changing marketplace (Menon and Menon, 1997). Since last decade it has been realized that consumers are highly aware and are ready to pay even more to adopt green product and services (Lee, 2009; Rahbar & Wahid, 2011; Lee, 2008; D Souza, 2004). As depicted by the survey, 87% of people of different countries like China, Germany, Brazil, Canada, France, India, the UK and the US have made known that they are interested in minimizing the impact on the environment (McKinsey, 2007).

The study has been done literature review threw light on the fact that mostly green marketing has been taken up for study in western countries and not much is looked upon by Indian researchers especially in this part of the country. Aim of the research is to understand customers' perspective towards green products offered in the market, understanding this would help organizations to position green products appropriately.

II. REVIEW OF LITERATURE

In a study Kangis (1992), proposed 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. One of the best ways to make people learn how they could give their contribution through changing their behavior and consumption pattern is to generate the need for green marketing and its understanding. Despite of having a great influence in every part of our life there are only few work done in the field of green marketing. Further, research done by Grant (2008) aims to look at how companies obtain a greener strategy and what is the future of green marketing. There have been many researches on environmental consumerism one of the earliest ones dating back to the 1970s (Henion & Kinnear, 1976). Alston and Prince Roberts (1999) conducted research on environmental strategy and new product development and propounded that customers are ready to slightly high for green products. Practitioners and marketing academics have done much work on the concept of the impact on marketing on promoting and maintaining ecological balance (Chammaro et al., 2009; Bhattacharya, 2011). As per the research by Ramanakumar, 2012, in FMCG green marketing holds great importance and concerns the customers. According to (Mainieri et al., 1997), the relationship between environmental attitudes and behavior may be confounded by situational factors (social norms, other attractive choices or economic constraints) and personal factors (knowledge, motivation or attitudes). Some such factors have been dealt in the present research also.

III. OBJECTIVE OF STUDY

- To study customer's perspective towards green products and organization's green initiatives.
- To study level of customer awareness towards green products in Punjab and Chandigarh depending on the demographics.

IV. HYPOTHESIS

H_0: There is no significance difference in the perspective of customers towards organization's green initiatives.
H_1: There is significance difference in the perspective of customers towards organization's green initiatives.
H_0: There is no significance difference in the customer's perspective regarding green products depending on the demographics.
H_1: There is significance difference in the customer's perspective regarding green

products depending on the demographics.

V. RESEARCH METHODOLOGY

The study has been conducted in Punjab (Patiala) and Chandigarh on various demographic characteristics of population with sample size of 100 consumers. The stratified random sampling technique was used and data was collected using a questionnaire having five point Likert scale. Reliability of data was checked using Cronbachs alpha. The data was analyzed using mean and standard deviation, chi square test, bivariate correlation.

VI. ANALYSIS AND FINDINGS

The demographic profile of consumers include 37.5% respondents who are below 25 years, 41.3% are 25-30, 13.4% are 30-35, 4.4% are 35-40 and 3.4% are 40-45 of age. 55.8% respondents are male and rests 44.2% are female. When looked at educational qualifications, 29.7% hold bachelor degree, and 54.1% were post graduates, 7.1% were doctorate and rest 9.1% had other qualifications. 54% of the respondents were married and rest 46 % has a status of single. Considering the income part, 17.4% being students had no income, 24.2% had an earnings of less than Rs. 15000, 38.2% earned between Rs. 15000-30000 per month, 8.3% had monthly earnings between Rs. 30000-45000, 7.5% had monthly income between Rs. 45000-60000 and rest 4.4% earned more than Rs. 60000 per month.

When checked on the level of awareness of green products, the analysis depicted that 59.4% of the respondents were well aware of green products and rest 39.6% did not had much idea about the concept.

Table 1: Reliability Scale

Scale	Croanbach Alpha
Customer Perspective towards Green Products	.898
Customer Perspective towards organization's green initiatives	.801

Reliability scale when checked for both customer perspective towards green products and organizations green initiatives came out to be .898 and .801 respectively, which is acceptable and hence it was found to be good on reliability scale (Table 1).

Table 2: Chi Square Test

	value	Df	Sig.
Chi Square	7.853	2	.046
Likelihood Ratio	6.882	2	.033
Linear by Linear Association	.644	1	.421
Valid Questionnaires	100		

In order to analyze Customers' perspective regarding green products data was subjected to chi square test (value=7.853, df 2 and p<.05) (Table 2). The analysis of the result depicts that there is difference in the perspective of customers of Punjab

and Chandigarh towards green products.

Also the statistical value, with a mean value of 4.38, having standard deviation .559, indicates that the customers of Chandigarh have positive perspective towards green products as compared to customers of Punjab, having a mean value of 2.96 and standard deviation .394).

6.1 Perspective difference on the basis of Gender

When data was further subjected to Chi Square test to understand that how customer perspective is different on the basis of gender, it was found that attitude towards green products is not affected by the gender. In this case null hypothesis is accepted that there is no significant difference in the perspective between the male and female customers towards green products. Value of chi square test being this (value=5.942, df 2 and p<.05) null hypothesis is accepted (Table 3).

Table 3: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.942	2	.079
Likelihood Ratio	6.679	2	.044
Linear-by-Linear Association	4.128	1	.039
N of Valid Cases	100		

6.1.1 Age and Customer Perspective towards Green Products

When dependence of customer perspective regarding green initiatives and products was checked its dependence on age, the result depicted that age and customer perspective are negatively correlated, with a correlation coefficient of r = -.085 which is significant at $p < 0.01$ (one-tailed significance value =.004), accepting the null hypothesis. Thus, an elderly person is less favorable towards the green products as compared to a young person (Table 4).

Table 4: Correlations

		Age	Consumer Attitude
Age	Pearson Correlation Sig. (1-tailed)N	1 100	-.085 .004 100
Consumer Perspective	Pearson Correlation Sig. (1-tailed)N	-.085 .004 100	1 100

6.1.2 Income and Customer Perspective towards green products

The null hypothesis that higher the income and less positive perspective of consumers towards green products was tested through one-tailed bivariate correlation test and the results are presented in Table 5. Each variable is .correlated with itself, whereas income is negatively correlated with consumer perspective towards green products, a correlation coefficient of r = -.078 which is significant at $p < 0.01$ (one-tailed significance value =.000). Thus null hypothesis is accepted that when income increases customers buy less of green products.

Table 5: Correlation

		Income	Consumer Attitude
Income	Pearson Correlation Sig. (1-tailed) N	1 100	-.078 .000 100
Consumer Perspective	Pearson Correlation Sig. (1-tailed) N	-.078 .000 100	1 100

6.2   Consumer Perspective (as studied with Demographic Profile) towards Green Marketing Initiatives by Companies

6.2.1   City Wise

Further, analyzing the data city wise, it was realized that there is no difference in customer perspective towards green marketing initiatives among the respondents of Punjab and Chandigarh. The null hypothesis that there is no significant difference in the perspective between the consumers of Punjab and Chandigarh regarding green marketing initiatives by companies with chi square test (value=1.478, df 2 and p<.05) and null hypothesis is accepted (Table 6).

Table 6: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.478	2	.625
Likelihood Ratio	1.208	2	.502
Linear-by-Linear Association	.046	1	.885
N of Valid Cases	100		

6.2.2   Age Factor

When data was subjected to analysis it was propounded that age is positively correlated with consumer perspective towards green marketing initiatives by the organizations.

Table 7: Correlations

		Age	Green Initiatives by the Industry
Age	Pearson Correlation Sig. (1-tailed) N	1 100	.188 .000 100
Green Initiatives by the Industry	Pearson Correlation Sig. (1-tailed) N	.188* .000 100	1 100

* Correlation is significant at the 0.05 level (1-tailed).

A correlation coefficient of r = .188 which is significant at p < 0.01 (one-tailed significance value =.000), reflects that the null hypothesis is rejected. Thus it is clear

that customer perspective towards green marketing initiatives is less favorable when the person grows old.

6.2.3 Income Factor

Table 8 provides the relation by correlation coefficients regarding the variables income and consumer perspective towards green marketing initiatives by taken by the organizations. The resultant is positive depicting a positive correlation. With a correlation coefficient of $r = .039$ which is significant at $p < 0.01$ (one-tailed significance value =.009), the null hypothesis that as income of the consumers rises their perception is unfavorable towards green marketing initiatives by organizations is rejected.

Table 8: Correlations

		Income	Green Initiatives by the Industry
Income	Pearson Correlation Sig. (1-tailed) N	1 100	.039 .008 100
Green Initiatives by the Industry	Pearson Correlation Sig. (1-tailed) N	.039 .008 100	1 100

VII. FINDINGS

Results indicate that customer awareness regarding green products is quite high and they bother about the environment. Consumers in Punjab and Chandigarh have different perspective towards green products, and people of Chandigarh hold a positive perception. More so, customer perspective towards green products and green initiatives is not affected by the gender i.e. Male and female respondents show no significant difference in perception towards green products.

Elderly customers are less concerned about buying green products as compared to younger generation. Also, their perspective is less favourable regarding green marketing initiatives taken by the companies. Also consumers in higher income group hold less favourable perspective towards green products.

Furthermore, it can be propounded with results that customer perspective towards green initiatives of the company shows no significant difference bases on the area i.e. consumers of Punjab and Chandigarh do not show any difference in their perspective regarding the green initiatives. Higher income group customers have positive perception towards green marketing initiatives by organizations when compared to consumers with lower income.

VII. CONCLUSION

It is clear from the research that organizations should make cohesive efforts in creating and increasing awareness about green products amongst the customers. Furthermore, these efforts should be made differently depending upon the demographics of the customers as customers' choice of products and services is largely dependent on their demographics like, age, income, gender etc.

Moreover, only those products will sell which are required by the customers. It is not possible to sell green goods only if they are produced. Organizations have to work upon the concept of societal marketing instead of product marketing.

Government intervention is also must, if green products are to be made popular. Government need to provide subsidies on green products and services so that they are cheaper and hence are sold more.

Organizations need to develop policies which support their green efforts, not only in production and product development, but also in terms of human force efforts and marketing activities. While doing so companies should also look in the cost of production, so as to minimize the final cost of the product.

Budget amount should be increased for research and development as it will help in innovation in products and services, their delivery and communication so that complete process can be made green.

REFERENCES

[1] Alston, K., & Roberts, P. J. (1999). Partners in new product development: SC Johnson and the alliance for environmental innovation. Corporate Environmental Strategy, 6(2), 110-28.

[2] Bhattacharya, S. (2011). Consumer attitude towards green marketing in India. The IUP Journal of Marketing Management, 62-70.

[3] Chamorro, A., Sergio, R. S., & Miranda, F. J. (2009). Characteristics of Research on green marketing. Business Strategy and the Environment, 18, 223–239.

[4] D'Souza, C. (2004). Eco-label programmes: A stakeholder (consumer) retrospective. Corporate communications: An International Journal, 9(3), 179-188.

[5] Grant, J. (2008). Green marketing. Strategic Direction, 24(6), 25-27.

[6] Henion, K. E., & Kinnear, T. C. (1976). Ecological Marketing. Chicago IL: American Marketing Association.

[7] Kangis, P. (1992). Concerns about green marketing. International Journal of Wine Marketing, 4(2), 21-24.

[8] Kotler, P. (1999). Marketing Management: The Millennium Edition. New Delhi: Prentice Hall of India.

[9] Lee, K. (2008). Opportunities for green marketing: Young consumers. Marketing Intelligence & Planning, 26(6), 573-586.

[10] Lee, K. (2009). Gender differences in Hong Kong adolescent consumers green purchasing behavior. Journal of Consumer Marketing, 26(2), 87-96.

[11] Mainieria, T., Vald, T. R., & Barnett, E. G. (1997). Green buying: the influence of environmental concern on consumer behaviour. Journal of Social Psychology, 137(2), 189-204.

[12] Menon, A., & Menon, A. (1997). Enviropreneurial Marketing Strategy: The emergence of Corporate Environmentalism as Market Strategy. Journal of Marketing, 51-67.

[13] Mohr, L. A., Eroglu, D., & Ellen, P. S. (1998). The development and testing of a measure of skepticism towards environmental claims in marketers' communications. Journal of Consumer Affairs, 32, 30–55.

[14] Rahbar, E., & Wahid, N. A. (2011). Investigation of green marketing tools' effect on consumers' purchase behavior. Business Strategy Series, 12(2), 73–83.

[15] Ramanakumar, K. P., C, M. G., & R, S. S. (2012). Consumer Attitude Towards Green Products of FMCG Sector: An Empirical Study. International Journal of Researchin Commerce and Management, 2(2), 34-38.

[16] Ramin, R., & M, M. (2011). Evaluation of Effectiveness Of green Marketing Mix on Consumer Satisfaction and Loyalty: (Case Study: The East Azarbaijan Pegah Dairy Company in Tabriz, Iran. Middle-East Journal of Scientific Research, 10, 755-763.

[17] Saxena, R., & Khandelwal, P. K. (2010). Can Green Marketing be used as a tool for Sustainable Growth?: A Study Performed on Consumers in India- An Emerging Economy. The International Journal of Environmental, Cultural, Economic and Social Sustainability, 6(6), 277-291.

[18] Shamdasani, P., Gloria Ong, C.-L., & Daleen, R. (1993). Exploring Green Consumers In An Oriental Culture: Role Of Personal And Marketing Mix Factors. Advances in Consumer Research, 20-491.

[19] Shrum, L. J., McCarty, J. A., & Lowrey, T. M. (1995). Buyer Characteristics of the Green Consumer and their implications for Advertising strategy. Journal of Advertising, 24, 2-71.