

An Environmental Protection Tool: Green Marketing & Its Effect on Consumer (Buying) Behaviour

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Abstract:

The purpose of this research is to determine the approach in and extend to which consumers' environmental attitudes affect their purchasing behavior. In this competitive edge companies are persistently trying to discover the best ways to get the attention of customers and reach them for increasing growth of business. Thus, they are becoming Environment friendly by implementing the concept of green marketing. Today's Customers are becoming more aware and demanding so that they have started to pay more attention to the environment also. The main objective of this paper is to find out how consumer (buying) behaviour is influenced by Green Marketing through Companies. Green marketing is a tool of protecting the environment for the future creation. It has a positive impact on environmental safety, because of the growing concern of environmental protection. Green marketing is a materialization of a new market. The customers are becoming more eco-responsible and customers are concerned about environmental issues in new market. For companies to survive in this new competitive market, they must find an opportunity to enhance product's performance and strengthen customer's loyalty to command a higher price. As such, green marketing is not just an environmental protection tool but also, a marketing strategy.

Keywords— Green Marketing, Consumer Behaviour, Environmental Tool

I. INTRODUCTION

Green marketing is a phenomenon which has developed particular important in the modern market. This concept has enabled for the re-marketing and packaging of existing products which already adhere to such guidelines. Additionally, the development of green marketing has opened the door of opportunity for companies to co-brand their products into separate line, lauding the green-friendliness of some while ignoring that of others. Such marketing techniques will be explained as a direct result of movement in the minds of the consumer market.

According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Yet defining green marketing is not a simple task where several meanings intersect and contradict each other; an example of this will be the existence of varying social, environmental and retail definitions attached to this term. Other similar terms used are Environmental Marketing and Ecological Marketing. Thus "Green Marketing" refers to holistic marketing concept wherein the production, marketing consumption and disposal of products and services happen in a manner that is less detrimental to the environment with growing awareness about the implications of global warming, non-biodegradable solid waste, harmful impact of pollutants etc., both marketers and consumers are becoming increasingly sensitive to the need for switch in to green products and services. While the shift to "green" may appear to be expensive in the short term, it will definitely prove to be indispensable and advantageous, cost-wise too, in the long run.

Elkington (1994: 93) defines, green consumer as one who avoids products that are likely to endanger the health of the consumer or others; cause significant damage to the environment during manufacture, use or disposal; consume a disproportionate amount of energy; cause unnecessary waste; use materials derived from threatened species or environments; involve unnecessary use of, or cruelty to animals; adversely affect other countries.

Pride and Ferrell (1993) Green marketing, also alternatively known as environmental marketing and sustainable marketing, refers to an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment.

Polonsky (1994) defines green marketing as .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.

II. OBJECTIVES

To investigate the factors that influence consumers' choice of eco-friendly products over conventional products & to find out the relation between consumers' attitude and perception towards green marketing w.r.t price sensitivity and quality.

III. WHY GREEN MARKETING?

It is really scary to read these pieces of information as reported in the Times recently: "Air pollution damage to people, crops and wildlife in US. Total tens of billions of dollars each year".

"More than 12 other studies in the US, Brazil Europe, Mexico, South Korea and Taiwan have established links between air pollutants and low birth weight premature birth still birth and infant death". As resources are limited and human wants are unlimited, it is important for the marketers to utilize the resources efficiently without waste as well as to achieve the organization's objective. So green marketing is inevitable. There is growing interest among the consumers all over the world regarding protection of environment. Worldwide evidence indicates people are concerned about the environment and are changing their behavior. As a result of this, green marketing has emerged which speaks for growing market for sustainable and socially responsible products and services. Thus the growing awareness among the consumers all over the world regarding protection of the environment in which they live, People do want to bequeath a clean earth to their offspring. Various studies by environmentalists indicate that people are concerned about the environment and are changing their behavior pattern so as to be less hostile towards it. Now we see that most of the consumers, both individual and industrial, are becoming more concerned about environment friendly products. Green marketing was given prominence in the late 1980s and 1990s after the proceedings of the first workshop on Ecological marketing held in Austin, Texas (US), in 1975. Several books on green marketing began to be published thereafter. According to the Joel makeover (a writer, speaker and strategist on clean technology and green marketing), green marketing faces a lot of challenges because of lack of standards and public consensus to what constitutes "Green". The green marketing has evolved over a period of time. According to Peattie (2001), the evolution of green marketing has three phases. First phase was termed as "Ecological" green marketing, and during this period all marketing activities were concerned to help environment problems and provide remedies for environmental problems. Second phase was "Environmental" green marketing and the focus shifted on clean technology that involved designing of innovative new products, which take care of pollution and waste issues. Third phase was "Sustainable" green marketing. It came into prominence in the late 1990s and early 2000.

IV. GREEN PRODUCTS AND ITS CHARACTERISTICS

The products those are manufactured through green technology and that caused no environmental hazards are called green products. Promotion of green technology and green products is necessary for conservation of natural resources and sustainable development. We can define green products by following measures:

- Products those are originally grown,
- Products those are recyclable, reusable and biodegradable,
- Products with natural ingredients,
- Products containing recycled contents, non-toxic chemical,
- Products contents under approved chemical,
- Products that do not harm or pollute the environment,
- Products that will not be tested on animals,
- Products that have eco-friendly packaging i.e. reusable, refillable containers etc.

V. BENEFITS OF GREEN MARKETING

Companies that develop new and improved products and services with environment inputs in mind give themselves access to new markets, increase their profit sustainability, and enjoy a competitive advantage over the companies which are not concerned for the environment.

VI. ECO FRIENDLY CONSUMER: GREEN CONSUMER

The green consumer is generally defined as one who adopts environmentally friendly behaviours and/or who purchases green products over the standard alternatives. Green consumers are more internally-controlled as they believe that an individual consumer can be effective in environmental protection. Thus, they feel that the job of environmental protection should not be left to the government, business, environmentalists and scientists only; they as consumers can also play a part. They are also less dogmatic and more open-minded or tolerant toward new products & ideas. Their open-mindedness helps them to accept green products and behaviors, more readily.

According to the consumption report of the EU (Consumers in Europe), it is found that ten percent of the consumers recognize the ecological product labels or green energy labels on the products sold in the supermarkets. Although the companies in our country progress with significant speed in terms of the environment, it is not possible yet for us to say that they have reached the same level regarding consumer sensitivity.

SOME CASES

Interestingly, green marketing continues to be an issue of 5 global interests. In fact, Google Trends reports that, on a relative basis, more searches for "green marketing" originated from India than from any other country.

Rank	Country
1.	India
2.	UK
3.	US

- | | |
|----|-----------|
| 4. | Thailand |
| 5. | Australia |
| 6. | Canada |
| 7. | China |

Many companies are adopting green for capturing market opportunity of green marketing some cases.

EXAMPLE 1: Best Green IT Project: State Bank of India: Green IT@SBI

By using eco and power friendly equipment in its 10,000 new ATMs, the banking giant has not only saved power costs and earned carbon credits, but also set the right example for others to follow. SBI is also entered into green service known as "Green Channel Counter". SBI is providing many services like; paper less banking, no deposit slip, no withdrawal form, no checks, no money transactions form all these transaction are done through SBI shopping & ATM cards. State Bank of India turns to wind energy to reduce emissions: The State Bank of India became the first Indian bank to harness wind energy through a 15-megawatt wind farm developed by Suzlon Energy. The wind farm located in Coimbatore uses 10 Suzlon wind turbines, each with a capacity of 1.5 MW. The wind farm is spread across three states – Tamil Nadu, with 4.5 MW of wind capacity; Maharashtra, with 9 MW; and Gujarat, with 1.5 MW. The wind project is the first step in the State Bank of India's green banking program dedicated to the reduction of its carbon footprint and promotion of energy efficient processes, especially among the bank's clients.

EXAMPLE 2: Lead Free Paints from Kansai Nerolac Kansai Nerolac Paints Ltd. has always been committed to the welfare of society and environment and as a responsible corporate has always taken initiatives in the areas of health, education, community development and environment preservation. Kansai Nerolac has worked on removing hazardous heavy metals from their paints. The hazardous heavy metals like lead, mercury, chromium, arsenic and antimony can have adverse effects on humans. Lead in paints especially poses danger to human health where it can cause damage to Central Nervous System, kidney and reproductive system. Children are more prone to lead poisoning leading to lower intelligence levels and memory loss.

EXAMPLE 3: Indian Oil's Green Agenda Green Initiatives

- Indian Oil is fully geared to meet the target of reaching EURO-III compliant fuels to all parts of the country by the year 2010; major cities will upgrade to Euro-IV compliant fuels by that time.
- Indian Oil has invested about Rs. 7,000 crore so far in green fuel projects at its refineries; ongoing projects account for a further Rs. 5,000 crore.
- Motor Spirit Quality Improvement Unit commissioned at Mathura Refinery; similar units are coming up at three more refineries.
- Diesel quality improvement facilities in place at all seven Indian Oil refineries, several more green fuel projects are under implementation or on the anvil.
- The R&D Centre of Indian Oil is engaged in the formulations of eco-friendly biodegradable lube formulations.
- The Centre has been certified under ISO-14000:1996 for environment management systems.

EXAMPLE 4: India's 1st Green Stadium the Thyagaraja Stadium stands tall in the quiet residential colony behind the Capital's famous INA Market. It was jointly dedicated by Union Sports Minister MS Gill and Chief Minister Sheila Dikshit on Friday. Dikshit said that the stadium is going to be the first green stadium in India, which has taken a series of steps to ensure energy conservation and this stadium has been constructed as per the green building concept with eco-friendly materials.

EXAMPLE 6 : Wipro Green It. Wipro can do for you in your quest for a sustainable tomorrow - reduce costs, reduce your carbon footprints and become more efficient - all while saving the environment. Wipro's Green Machines (In India Only) Wipro Infotech was India's first company to launch environment friendly computer peripherals. For the Indian market, Wipro has launched a new range of desktops and laptops called Wipro Green ware. These products are ROHS (Restriction of Hazardous Substances) compliant thus reducing e-waste in the environment.

VII. RESEARCH METHODOLOGY

The research paper attempts to explain the concept of Green Marketing and seeks to examine the role of consumer's behavior in promoting Green Marketing and how Green Marketing affects the consumer (Buying) Behavior. In order to these aspects, we have adopted the standard methodology. The present study is an explanatory descriptive and analytical in nature and based upon secondary sources. For the collection of data we have mainly relied upon the report of Business organizations, books, journal magazines and newspapers etc.

VIII. LITERATURE REVIEW

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.

Yam-Tang and Chan, 1998). Baron (1995) has argued, market and nonmarket environments impact each other. Thus, firms need to adopt an integrated approach to their market (in the context of household consumers in the discussion below) and nonmarket strategies. For example, in adopting green marketing policies, firms may encounter many challenges such as a disconnect between consumers' attitudes and actual behaviors, and their unwillingness to pay premiums for green products. This may be partially rooted in consumers' skepticism of environmental claims. Thus, regulatory and policy issues on environmental claims (such as labeling or advertising) that arise in the nonmarket arenas may have bearing on firms' market strategies. Key market and nonmarket challenges are examined below. Since the 1960s, environmental issues have gained importance in business as well as public policy discourses. Recent polls report that 87% of U.S. adults are concerned about the condition of the natural environment (Phillips, 1999), 80% believe that protecting the environment will require major changes in current life-styles (Ottman, 1996) and 75% consider themselves to be environmentalists (Osterhus, 1997). Not surprisingly then, some scholars believe that consumers are willing to pay premiums for green products because consumers often prioritize green attributes over traditional product attributes such as price and quality: 50% of Americans claim to look for environmental labels and to switch brands based on environment-friendliness (Phillips, 1999). However, the caveat is that such claims and attitudes may not always translate into actual behaviors (McGuire, 1985). One reason could be the social pressures to be 'green' (Ritchie and McDougall, 1985). Consequently, notwithstanding the claims about the concern for the natural environment, mass consumer markets for green products in most categories have yet to develop.

IX. CONCLUSIONS

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 your 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.

Now this is the right time to select "Green Marketing" globally. It will come with drastic change in the world of business if all nations will make strict roles because green marketing is essential to save world from pollution. From the business point of view because a clever marketer is one who not only convinces the consumer, but also involves the consumer in marketing his product. Green marketing should not be considered as just one more approach to marketing, but has to be pursued with much greater vigor, as it has an environmental and social dimension to it. With the threat of global warming looming large, it is extremely important that green marketing becomes the norm rather than an exception or just a fad. Recycling of paper, metals, plastics, etc., in a safe and environmentally harmless manner should become much more systematized and universal. It has to become the general norm to use energy-efficient lamps and other electrical goods. Marketers also have the responsibility to make the consumers understand the need for and benefits of green products as compared to non-green ones. In green marketing, consumers are willing to pay more to maintain a cleaner and greener environment. Finally, consumers, industrial buyers and suppliers need to pressurize effects on minimize the negative effects on the environment-friendly. Green marketing assumes even more importance and relevance in developing countries like India.

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