

## **EFFECT OF GREEN MARKETING ON DEPARTMENTAL STORES**

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### **Abstract**

The green movement has been expanding rapidly in the world. With regards to this consumers are taking responsibility and doing the correct things. Consumer awareness and motivation continue to drive change in the marketplace, notably through the introduction of more eco-friendly products. Compared to consumers in the developed countries, the Indian consumer has much less aware of environmental issues like global warming. Successful marketing has always been about recognizing trends and positioning products, services and brand in a manner that supports buyer intentions. Today, many companies have accepted their responsibility to protect our environment. So, products and production process become cleaner. More companies introduce green products and it helps to change the polluted world. “Go green”, because they realize that they can reduce pollution and increase profits at the same time. Green marketing is a creative opportunity to innovate in ways that make a difference and at the same time achieve business success. This paper investigates buyer perception and attitude of purchasing eco-friendly products.

### **Introduction**

#### **Green Marketing**

Green marketing refers to the process of selling products and services based on their environmental benefits. Such a product or service may be environmentally friendly in it or produced in an environmentally friendly way. Green, environmental and eco-marketing are part of the new marketing approaches which do not just refocus, adjust or enhance existing marketing thinking and practice, but seek to challenge those approaches and provide a substantially different perspective. In more detail green, environmental and eco-marketing belong to the group of approaches which seek to address the lack of fit between marketing as it is currently practiced and the ecological and social realities of the wider marketing environment. Green marketing is a topic which has been recently studied. This concept

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emerged in the late 80's decade representing the advertising products with environmental characteristics. New types of products were introduced in the markets, named by "green products" which had features would have less damage for the environment. Green marketing term was first discussed in a seminar on "ecological marketing" organized by American Marketing Association (AMA) in 1975 and took its place in the literature. In this seminar where the impact of marketing on natural environment was analyzed with the contribution of academicians, bureaucrats and other participants, ecological marketing concept was defined as follows: Studies regarding adverse or positive impacts on environmental pollution, energy consumption and consumption of other resources as result of marketing (Cevreorman, 2010). The key challenge for companies and customers today is to preserve and protect the earth natural environment and finite resources. Production and consumption of goods all over the world has led to the emergence of a large number of environmental problems. As a result, companies are focusing on green marketing and are producing eco-friendly or green products that have less harmful effects on the environment, than the conventional products. Moreover, consumers are becoming more and more aware of the environmental problems and are actively trying to reduce their impact on the environment by purchasing green products and moving towards a greener lifestyle. The term "green" has become the major element driving millions of consumers throughout the world, to find out how they live a more environmentally friendly life. The needs of the consumers are evolving and brand loyalty is being continuously redefined. Companies nowadays have to integrate appropriate green strategies into their operational activities, product development processes, and marketing activities to achieve a competitive advantage in the saturated markets. Thus, we see that both the marketers and the consumers are nowadays focusing on green products and services. Although in the short run, a company may find it expensive to shift towards the "green" approach, in the long run, it will definitely prove to be advantageous for the company, in terms of cost also.

Peattie, K. (1995), identified three different phases of this new tendency of green marketing: the "ecological" which reflects the development of ways to solve the existing environmental problems; the "environmental" which involves using "clean technology" in the process of creating new products; and the "sustainable", reflecting organizations behavior in developing and marketing products which are environmentally friendly as customers are becoming more aware of these issues. However, regarding Henion and Kinnear (1976), green marketing is

not only about incorporating environmental characteristics to products or services. Some of these changes can be realized in products' advertising, some others in the company's trademark which can occur with a logo change or in the packaging material used. Modifying the product itself or even the production process are other activities companies engage when becoming green.

### **Evolution of Green Marketing**

The term Green Marketing came into prominence in the late 1980s and early 1990s. The green marketing has evolved over this period of time. The evolution of Green marketing had 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. This was the result of the term sustainable development which, is defined as "meeting the needs of the present without compromising the ability of future generations to meet their own needs."

### **Review of Literature**

**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.

**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.

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

**ElhamRahbar (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 regressions 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.

**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).

**Polonsky and Rosenberger, (2001)** Green marketing is a vital component of marketing research which began due to increasing pressure on firms to present eco-friendly behavior. The growth in green marketing over the years has been promoted by adoption of product packaging and presentation to the public. There has been a continuous improvement from environmental marketing practices as a result of legislations and pressure from environmental groups to genuine efforts to improve sustainable marketing plans and behaving in a responsible manner.

**Pickett et al. (1995)**, if the communications of green branded attributes are not properly undertaken, environmentally sustainable products will tend to be commercially unsuccessful. Similarly, W. Coddington (1993) has suggested that green positioning is an important factor that leads to the success of green branding strategies. However, according to 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.

**D'Souza (2005)**, advertising terms such as "environmentally friendly, recyclable, biodegradable, and ozone safe" are often seen regularly in green advertisements and consumers are seldom exposed to such messages effectively.

**Chan (2004)** has stated that, customers seek more authenticated and concrete product information from these advertisements to guide them in their purchasing decisions. Thus,

marketers should publicize environmental information effectively. Moreover, Hawkins et al. (1998) stated that emotional content in advertisements is required to increase customers' attention towards these advertisements.

**Mendleson (1994)**, in order to achieve the goal of changing the consumers buying behavior, marketers and organizations should focus on the ecological knowledge in their organizations as a whole, in their product offerings, and in their advertising campaigns.

**Diamantolopoulos (2003)** conducted a study on 1697 questionnaires in Britain. According to this study, demographic variables were found insufficient to determine green consumer profile. However, again according to this study women are more related to the environment and women display pro environmental behaviors. Married couples are more likely to have pro environmental behavior. There is a negative correlation between age and pro-environment attitude. There is a positive correlation between education, information and attitudes and behavior. However, in high social class, environmental information and environmental quality, and participating in green activities hypotheses were not supported (Keleş, 2007).

**Belz&Peattie (2008)** stated that green marketing and environmental marketing in the late 1980's focused on green consumers who would be willing to pay premium prices for more environmentally friendly products. Many consumers choose products that do not damage the environment over less environmentally friendly products, even if they cost more. With green marketing, advertisers focus on environmental benefits to sell products such as biodegradable diapers, energy-efficient light bulbs, and environmentally safe detergents. Green marketing encourages consumers to use eco-friendly products and manufacturers to develop more environmentally beneficial products.

### **Objectives of the Study**

1. To study the importance of green marketing.
2. To analyse the effect of green marketing.
3. To identify if consumers are willing to pay more for eco-friendly products.

### **Eco-Friendly Products**

1. Cloth Napkins
2. Reusable Water Bottles
3. Cloth or Cotton Shopping Bags
4. Recycled Fabric Clothes
5. Rechargeable Batteries

6. Solar Powered Outdoor Speakers
7. House Cleaners
8. Solar Phone Charger
9. Water Powered Clock
10. Eco-Friendly Kettle
11. Recycled Cutting Board
12. Bamboo Desktop Dry-Erase To-do Board
13. Moss Carpet
14. Eco-friendly Umbrella
15. Green Finger Rings
16. Biodegradable Pots
17. Organic foods

### **Research Methodology**

A quantitative approach was adopted through the use of questionnaires. The sample comprised 100 respondents and it was decided that respondents from various departmental stores. Convenience sampling was adopted, whereby respondents who were easily accessible were chosen. This was done with a view to cost and time savings. The questionnaire was based on the literature review. The questionnaire was divided into two sections. The first section consisted of environmental dimensions using a five-point Likert scale: 1 = strongly disagree and 5 = strongly agree. The second section comprised demographic questions pertaining to age, gender, education level, occupation and income level. The questionnaire was first pilot tested among a group of 10 respondents. A few minor changes were effected to the questionnaire before final administration. The data were analyzed using SPSS.

### **Data Analysis**

Both descriptive and quantitative analysis of the study was undertaken. For descriptive analysis the assessment of answers from the questionnaire were done to identify the major variables which would have a significant impact on the awareness and purchase behaviour of the potential consumers. The quantitative analysis of the data was undertaken by using both Microsoft excel and SPSS (Statistical Package of social sciences). The data was organized into an easily assimilated, tabulated, understandable form and various statistical and mathematical tools were used for analysis.

**TABLE 1.1: Buyer perception about green products**

S.NO	STATEMENTS	MEAN	STANDARD DEVIATION
1	Environmental knowledge about green products	4.44	0.81
2	Environmental awareness about green marketing	3.81	0.66
3	Belief about product safety for use	3.75	0.74
4	Availability of products information	4.07	0.86
5	Awareness about products adulteration	3.91	0.86

**Table 1.1** explains the buyer perception towards green products. Green product is measured with five point likert scale. Further, mean and standard deviation values are calculated. The mean values ranged from 4.44 to 3.75. the standard deviation values lies between 0.86 to 0.66. from the mean value, it is observed that the buyers are highly rated that they have environmental knowledge about green products (4.44), followed by they know availability of products information (4.07), they aware about products adulteration (3.91), they aware about environmental green marketing (3.81) and they belief about product safety for use (3.75).

The standard deviation values inferred that the buyer opinion towards green products in departmental stores is similar level. It is found that buyers are having least level of awareness about green products.

**TABLE 1.2: Factors affecting purchase of green products**

S.NO	STATEMENTS	MEAN	STANDARD DEVIATION
1	Product price	10.33	3.68
2	Awareness about Green Products	12.61	5.28
3	Availability of Green Products	8.68	3.02
4	Information provided on Green Product	7.69	2.79

**Table 1.2** describes the factors affecting purchase of green products. Green products are measured with five point likert scale. Further, mean and standard deviation values are calculated. The mean values ranged from 12.61 to 7.69. The standard deviation values lies between 5.28 to 2.79. From the mean value, it is observed that they aware about Green Products (12.61), followed by product price (10.33), they know availability of Green Products (8.7), they collect information provided on Green Product (7.7)

The standard deviation values inferred that the buyer opinion towards green products in departmental stores is similar level. It is found that buyers are having high level of awareness about green products.

### **Findings**

Majority of the respondents knew about the eco-friendly products. The most familiar eco-friendly products among respondents are organic vegetables and consumable Items. The major reason that the customers are not ready to pay more for eco-friendly products is the high cost of the product that cannot afford by the customers and some respondents have the opinion that cannot see the benefit of the product. Respondents on an average (60%) say that information about green features of green marketing products is not available. Customers have a positive perception towards environmentally friendly products. Most of the respondents considered that it's important to them that the products they use do not harm the environment and they considered themselves as environment friendly attitude. Buyers are aware about the seriousness of various environmental problems. Industrial water pollution, industrial air pollution, pesticides on food, hazardous waste, drinking water contamination etc are the major environmental concern on which the buyers express their seriousness. From the environmental point of view the marketing practices like manufacturing eco-friendly products, Manufacturing products through eco-friendly process and educating customer to use products in environmental friendly manner are more important. Customers' commitment on environment friendly products is positive and hopeful. They are ready to prefer eco-friendly products than non-eco-friendly products. But if the products are more priced customers shows a neutral attitude towards this. The major factors affecting purchase of green products are product price, availability of products and awareness about the products.

### **Suggestions**

Environment friendly behaviour is far and difficult to attain. Hence environmental awareness and attitudes should be created in the minds of consumers during their childhood days itself. It requires rigorous efforts at school level to create an attitude of environment sustainability. Eco clubs play an important role in creating environmental awareness amongst the future generation. So eco clubs should be there in all schools and colleges. Expand the consumer awareness of green products by creating effective green marketing campaigns or environmental related activities. The companies should try to more focus on the green features of the product in their marketing activities. Price is the attribute that consumers

reflect on when making a green purchasing decision. Consumers are less likely to purchase green products if they are more expensive. So price should be reduced for the eco-friendly products.

### Conclusion

Thus from the analysis which carried out in this study, we can conclude that the people have awareness about the eco-friendly products and they show a positive attitude towards green marketing and green products. But they should try to increase the awareness level into another extent which means a wide variety of eco-friendly products is available today. But the customers' awareness level limited to organic vegetables and consumable items. Price is the attribute that consumers reflect on when making a green purchasing decision. Consumers are less likely to purchase green products if they are more expensive. So efforts should make to reduce the price of eco-friendly products. Constant efforts should be taken by Government, NGOs, Educational institutions, Business houses and society at a large to create awareness among the consumers to promote eco-friendly buying behaviour.

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