

CONSUMER RESPONSE TOWARDS GREEN PRODUCTS

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Abstract

Our lifestyle has changed in this fast paced world as compared to few decades ago. Today, more and more people are caught up in an endless cycle of buying and throwing away, seeing consumption as a means of self-fulfillment. Consumption is the reason why anything is produced. Demand towards products is driven by convenience and habit which in returned is hard to change. Truly consumers has little knowledge of the link between their consumption choices and the environmentally consequences. This study attempted to gain knowledge about consumer response towards green products. With a sample of 100 respondents the data obtained from the survey were analyzed with percentage analysis, chi-square test, weighted average score analysis. The purpose of the study was to examine the variables that influence the purchase pattern of consumer response towards green recyclable products. However there are still fewer facts to show whether consumers' knowledge and awareness would influence their actual purchase intention towards green products.

Key words: Green marketing, Consumer perception, FMCG green products

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1. Introduction

Meaning

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. 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.

Green FMCG 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 FMCG Products is necessary for conservation of natural resources and sustainable development. We can define Green FMCG 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 i.e. reusable, refillable containers etc.

Green Marketing Mix

Every company has its own favorite marketing mix. Some have 4 P's and some have 7 P's of marketing mix. The 4 P's of green marketing are that of a conventional marketing but the challenge before marketers is to use 4 P's in an innovative manner

✓ **Product:** The ecological objectives in planning products are to reduce resource consumption and pollution and to increase conservation of scarce resources.

✓ **Price:** Price is a critical and important factor of green marketing mix. Most consumers will only be prepared to pay additional value if there is a perception of extra product value. This value may be improved performance, function, design, visual appeal, or taste.

✓ **Promotion:** There are three types of green advertising: -a) Ads that address a relationship between a product/service and the bio physical environment b) Those that promote a green lifestyle by highlighting a product or service c) Ads that present a corporate image of environmental responsibility.

✓ **Place:** The choice of where and when to make a product available will have significant impact on the customers. Very few customers will go out of their way to buy green products.

Current scenario of Green marketing in India

Organizations perceive Environmental marketing as an opportunity to achieve its objectives. Firms have realized that consumers prefer products that do not harm the natural environment as also the human health. Firms marketing such Green FMCG Products are preferred over the others not doing so and thus develop a competitive advantage, simultaneously meeting their business objectives. Organizations believe that they have a moral obligation to be more socially responsible. This is in keeping with the philosophy of CSR which has been successfully adopted by many business houses to improve their corporate image. Firms in this situation can take two approaches:

- Use the fact that they are environmentally responsible as a marketing tool.
- Become responsible without prompting this fact. In most cases the government forces the firm to adopt policy which protects the interests of the consumers.

1.1. Review of literature

McDaniel, S.W. & Rylander, D.H. (1993)¹ in the article titled “Strategic Green Marketing” stated that Green marketing is taking shape as one of the key business strategies of the future. The increasing environmental consciousness makes it incumbent on consumer marketers not just to respond to, but to lead the way in, environmental programs. Consumer marketers should: recognize a product's environmental implications; analyze the changing consumer and political attitudes while recognizing the role that companies can play in protecting the environment.

Polonsky, Rosenberger, & Ottman, J.(1998)² In the paper titled “Developing Green Products: Learning from Stakeholders ”discussed the research which focused on US and Australian markets' perceptions of stakeholders' potential to influence the green new product development(NPD) process and what strategies can be used to involve stakeholders in this process. The findings suggest that marketers believe some stakeholders with "high" influencing

abilities should be involved in the green NPD process, although it appears that in practice, firms use very basic methods to include these stakeholders.

Clare D'Souza, Mehdi Taghian, Peter Lamb, Roman Peretiatkos, (2006)³ focused a study on Green products and corporate strategy: an empirical investigation. The purpose of the study is to examine the influence of multiple factors on the green purchase intention of customers in Australia. The results indicate that customers' corporate perception with respect to companies placing higher priority on profitability than on reducing pollution and regulatory protection were the significant predictors of customers' negative overall perception toward green products. The present findings contributes to an understanding of the antecedents of green purchasing and highlight that green customers rely more on personal experience with the product than the information provided by the marketer.

1.3. Statement of the problem

Among different products used by the respondents in day today life, personal care products occupy important role. These personal products are available as plenty in different brands but few only are available as green products. The marketing for products (other than green products) is severely undertaken using lot of strategies and methods but for green products, these activities are not very active. Under these circumstances, an attempt is made to know the level of awareness about green products, their preference and their satisfaction towards the same to throw a light on the scope for marketing of green products, taking personal care products is a case.

1.4. Objectives of the Study

- ❖ To study the awareness level of customers towards Green Products
- ❖ To study the customer ideas, opinion and preference towards Green Products
- ❖ To study the level of customer satisfaction towards the purchase and consumption of Green Products

1.5. Methodology of the study

The area of the study refers to Coimbatore City. The study is based on primary data collected using structured questionnaire from 100 respondents who were selected using convenient sampling method. Among various green products personal care products are taken in

this study. The statistical tools used to analyze the data in tune with the objectives of the study were:

- Percentage analysis
- Chi-square analysis
- Weighted average score analysis.

2. Analysis and Interpretation

The data collected from the customers are systematically presented under various headings. They are:

Section A: Deals with analysis of data relating to the customers by using percentage analysis

Section B: Deals with application of statistical analysis such as Chi-square analysis, weighted average score analysis.

2.1. Application of Statistical Tools

2.1.1. Section A

The data collected from the respondents were systematically analyzed. Based on the percentage analysis, the interpretations are given below:

- Majority (65%) of the respondents purchase and consume Shampoo.
- Majority (70%) of the respondents are influenced by advertisements
- Out of those who are influenced by advertisements, majority (68%) of the respondents are influenced by advertisements appearing in notices & leaflets and newspaper & magazines.
- Majority (64%) of the respondents are using this green products for more than two years and they prefer to buy them in Green Stores
- Majority (70%) of the respondents prefer green products due to health reasons
- Majority (66%) of the respondents spend upto Rs.1000 per month for buying the selected green products
- Majority (75%) of the respondents are highly satisfied with select green products due to health & safety factors
- Majority (85%) of the respondents have not faced any problem in using green products
- Majority (55%) of the respondents feel that the prices of green products are high but at the same time they feel that the quality is good.

2.1.2. Section-B

Chi-square analysis: Chi-square test was used to test the significance of two attributes. In other words, chi-square test was used to test if one factor has significant influence over the other. Personal factors considered for this analysis are given below:

- (i) Age
- (ii) Educational status
- (iii) Occupational status
- (iv) Marital status
- (v) Family monthly income
- (vi) Size of the family

The other factors considered for the analysis regarding the green products are:

- (i) Source of awareness
- (ii) Consumption of products
- (iii) Preference of products

All the tests were carried out at 5% level of significance. The chi-square test was applied between the personal factors and study factors and the results are given in the following tables with suitable hypotheses and interpretation.

1. Hypothesis

The personal factors of the respondents have no significant influence over the sources of awareness of green products. Table No-1 shows that age, marital status, family monthly income and size of family have no significant influence over the sources of awareness of green products whereas educational qualification and occupational status have significant influence over the sources of awareness of green products.

2. Hypothesis

The personal factors of the respondents have no significant influence over the consumption of green products. Table No-2 establishes that age, educational qualification and occupational status have significant influence over consumption of green products while marital status, family monthly income and size of family have no significant influence over the consumption of green products.

3. Hypothesis

The personal factors of the respondents have no significant influence over the preference of green products. Table No-3 establishes that age, educational qualification, occupational status

and marital status have significant influence over the preference of green products while family monthly income and size of family have no significant influence over the preference of green products.

Weighted Average Score Analysis: In order to use this technique, first the qualitative information is converted into quantitative data through a five point scaling technique similar to Likert Scaling Technique. After converting the scores, the weighted average score is calculated mainly to assess the level of opinion awareness of the different categories of respondents on various issues.

In this study, weighted average score analysis was prepared for ranks which are given by respondents. In applying the above tool, the quality characteristics were converted into numerical value by using 4 points or 5 points scaling. In the 3 point scaling technique, score of 3 is highly satisfactory, score 2 is given for moderate satisfactory and score 1 is given for low satisfactory. Based on the scores, the weighted average score was calculated for each factor.

It is understood from the Table no.4 that most of the respondents assigned first rank to health reasons, second rank to quality, third rank to no side effects, fourth rank to price and fifth rank to other reasons such as product design, style etc., Majority of respondents assigned first rank to health reasons.

It is clear from the Table no.5 that the health & safety is given top rank, second rank to environment benefit, third rank to quality, fourth rank to price and fifth rank to product design. Majority of respondents were highly satisfied with the health & safety.

3. Suggestions

- The numbers of green stores are very less in number in the city and hence steps should be taken to open more number of green stores.
- The advertisement for green stores is very minimum compared to other product and hence suitable steps should be taken by the manufacturer to increase the advertisement
- The price of green products is little high from the point view of customers and hence manufacturer to consider reducing the price of green products
- It is also suggested to the manufacturer to conduct an awareness campaign for the general public and make an attempt to brief them about the advantages they will get in using the green products

➤ It is also suggested to the manufacturer to adopt promotional strategies in marketing of green products

4. Conclusion

Environmental concern could emerge as one of the powerful drivers that influence eco-friendly purchases; it has actually not resulted in the ability to command a sustainable premium consumers are willing to buy eco-friendly products, but not to pay the higher price. Knowledge and awareness about green products can affect attitudes and perceptions about the product and, ultimately, buying decisions of the consumers. Though consumers are willing to purchase green products, many business organizations still behind the need of the eco friendly society. In addition to that marketer can charge high price with highlighting eco friendliness of the products. It may be important to examine in future studies the effect of disposable income on willingness to pay premium. Increased consumer demand will help reduce costs in production of eco-friendly products. Awareness among consumers that their buying choices can make a difference to the environment should be promoted. There is a scope for eco-friendly marketers to capture this market as it has long term scope & growth.

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Annexure: Tables

Table – 1

Chi-square Analysis between Personal Factors and Source of Awareness

S.No	Personal factors	Chi-square value	Table value	S/NS
1	Age	11.73	16.91	NS
2	Educational qualification	17.78	16.91	S
3	Occupational status	19.28	24.99	S
4	Marital status	1.09	7.81	NS
5	Family monthly income	6.58	16.91	NS
6	Size of the family	5.75	16.91	NS

S-Significant, NS-Not Significant

Table – 2

Chi-square Analysis between Personal Factors and Consumption of Green Products

S.No	Personal factors	Chi-square value	Table value	S/NS
1	Age	17.78	16.91	S
2	Educational qualification	17.78	16.91	S
3	Occupational status	19.28	16.91	S
4	Marital status	7.16	9.48	NS
5	Family monthly income	15.03	21.02	NS
6	Size of the family	7.38	21.02	NS

S-Significant, NS-Not Significant

Table – 3

Chi-square Analysis between Personal Factors and Preference for Green Products

S.No	Personal factors	Chi-square value	Table value	S/NS
1	Age	24.78	16.91	S
2	Educational qualification	24.78	16.91	S
3	Occupational status	24.83	24.99	S
4	Marital status	11.73	7.81	S
5	Family monthly income	6.58	16.91	NS
6	Size of the family	6.58	16.91	NS

S-Significant, NS-Not Significant

Table – 4

Weighted Average Score- Reasons for Preference

S.No	Reasons	5	4	3	2	1	Total score	Weighted Average Score	Rank
1	Quality	38	19	19	11	13	100	3.58	II
2	Price	7	13	21	29	30	100	2.38	IV
3	Good for health	31	29	26	10	4	100	3.73	I
4	No side effects	14	31	21	21	13	100	3.12	III
5	Other reasons	10	8	14	28	40	100	2.20	V

Source : Primary data

Table – 5

Weighted Average Score for Satisfaction Level

S.No	Factors	Level of Satisfaction			Total score	Weighted average score	Rank
		Highly satisfied	Moderate satisfied	Low satisfied			
a	Economic benefit	7	68	25	100	1.82	V
b	Health & Safety	54	43	3	100	2.51	I
c	Quality	26	68	6	100	2.21	III
d	Environment benefit	34	61	5	100	2.29	II
e	Product design	20	69	11	100	2.09	IV

Source : Primary data