

**AN EMPIRICAL IMPACT OF GREEN MARKETING-
CONSUMER'S PURCHASE SENSITIVITY IN EAST
GODAVARI DISTRICT**

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ABSTRACT

Green marketing is going to be proactive topic with it steps into the world of the consumers where consumers are not only aware for the multiple brands and their perceived quality but also they have started to pay more attention to the environment and thereby becoming more eco friendly. Therefore the companies are also exploring the various ways for communicating with the customers so that customers can be retained as loyal for long by adopting green management. The aim of the study is how consumer purchasing behavior is affected by the green marketing by the usage of some certain eco-friendly products in few selected regions of East Godavari District. This study is also aimed at knowing about the following parameters. 1) To examine the life style measures of the consumers 2) To analyze the perception measures of the consumers about the eco-friendly products 3) To understand the attitude measures and intentions of the consumers towards the usage of eco-friendly products. The results from this illustrates how the companies need to increase their communication with the customers for going green, and that attributes like price and quality are more important than “environmental responsibility”.

Keywords: Eco- Friendly Products, Green Marketing, Environmental responsibility, Consumer Satisfaction, Attitude measures, Lifestyle Measures, Perception Measures

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INTRODUCTION

“The role of green marketing in development of consumer behavior towards environmental safety”.

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 it 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 consciences 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 green washing. 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.—Green|| 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:

1. Conserves water and energy
2. Prevents contributions to air, water and land pollution
3. Protects indoor air quality
4. Uses renewable, responsibly sourced materials
5. Produces little environmental impact
6. Is manufactured in an environmentally conscious way
7. Using one's own bag, rather than a plastic carrier provided by a shop.

Broad and fairly ambiguous, the terms —green and —eco-friendly may be misleading. For example, a product labeled —green|| may have been responsibly sourced but may not necessarily be organic. What's more, some manufacturers have been known to intentionally

mislead consumers in a practice known as —green washing. Products and businesses that have been green washed may appear to be eco-friendly, but upon closer inspection, often amount to little more than a well-executed green marketing campaign. For green marketing to be effective, you have to do three things; be genuine, educate your customers, and give them the opportunity to participate.

1. **Being genuine** means that a) that you are actually doing what you claim to be doing in your green marketing campaign and b) that the rest of your business policies are consistent with whatever you are doing that's environmentally friendly. Both these conditions have to be met for your business to establish the kind of environmental credentials that will allow a green marketing campaign to succeed.
2. **Educating your customers** isn't just a matter of letting people know you're doing whatever you're doing to protect the environment, but also a matter of letting them know why it matters. Otherwise, for a significant portion of your target market, it's a case of "So what?" and your green marketing campaign goes nowhere.
3. **Giving your customers an opportunity to participate** means personalizing the benefits of your environmentally friendly actions, normally through letting the customer take part in positive environmental action.

GOLDEN RULES OF GREEN MARKETING

1. **Know Your Customer:** Make sure that the consumer is aware of and concerned about the issues that your product attempts to address, (Whirlpool learned the hard way that consumers wouldn't pay a premium for a CFC-free refrigerator because consumers didn't know what CFCs were.).
2. **Empower Consumers:** Make sure that consumer feel. By themselves or in concert with all the other users of your product, that they can make a difference. This is called “empowerment” and due to this main reason consumers will buy greener products.
3. **Be Transparent:** Consumers must believe in the legitimacy of the product and the specific claims made in regard.
4. **Reassure The Buyer:** Consumers must be made to believe that the product performs the job it's supposed to do—they won't forego product quality in the name of the environment.

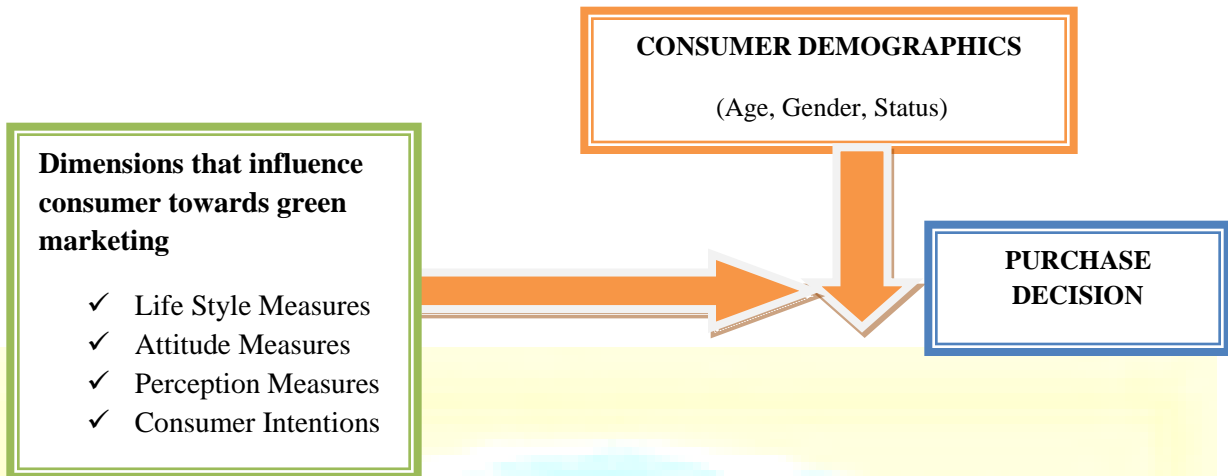
5. **Consider Your Pricing:** If you're charging a premium for your product-and many environmentally preferable products cost more due to economies of scale and use of higher-quality ingredients-make sure those consumers can afford the premium and feel it's worth it. Thus leading brands should recognize that consumer expectations have changed. It is not enough for a company to green its products; consumers expect the products that they purchase pocket friendly and also to help reduce the environmental impact in their own lives too.

ENVIRONMENTALLY CONSCIOUS CONSUMER BEHAVIOUR

Environmentally Conscious Consumer Behaviour (ECCB) is consumer behaviour based on some awareness of the environmental impacts associated with a product or service and a desire to reduce those impacts. Many researchers in the field of consumer's psychology and the market research have demonstrated a substantial growth in ECCB across a range of markets. It has been demonstrated through case studies that how product developers and marketers have capitalized on this positive attitude and effectively differentiated their products in terms of their environment friendly character.

The term environment consciousness does not have a standardized definition in the body of academic literature; the reason can be due to arousal of the term out of political and everyday language. Environmental consciousness is the desire to protect flora and fauna, a willingness to scrutinize the consequences of economic activity and a willingness to combine long-term with short-term planning.

Research about the identity and the nature of green consumer has been the central character in the development of green marketing, as business attempt to understand and respond to external pressures to improve their environmental performance. Marketing practitioners and academics are attempting to identify and understand green consumers and their needs, and to develop market offerings that meet these needs.



(Fig: Model of ECCB)

LITERATURE REVIEW

Joseph & Rupali korlekar(2012), there is a scope for in-depth studies on green marketing to be conducted in developing countries like India, not only on understanding consumers' perception but to study the detailed profile of such consumers who have a more positive attitude towards green marketing and green products.

Moloy Ghoshal (2011) examined that green marketing was still in infancy. In the perception of marketing scholars, green marketing refers to eco-level and market segmentation and the role of structural factors and economic incentives in influencing consumer behavior. The green marketers must understand to satisfy two objectives: improved environmental quality and customer satisfaction.

Sourabh Bhattacharya (2011) states that the green marketers in India should carry out heavy promotional campaigns, because majority of the Indian consumers are price-sensitive and are not sure about the quality of green products.

Dileep Kumar (2010) analysed that how far the hotel business organizations in the tourism sector meet the customer's needs through green marketing effort and how they influence the consumer behaviour and their satisfaction by inducing environmentally responsible behaviour.

Vijay Jain et al (2010) summarized the three C's process for green marketing implementation as Consumer Value Positioning, Calibration of Consumer Knowledge and Credibility of product.

Arun Kumar & N. Meenakshi(2009) Consumers have to play an important role if companies have to be made responsible for preservation of the environment. They should stop buying products of companies which are polluting the environment. Apart from companies, NGOs also have very important roles to play. NGOs should carry out research and tell the companies how they can make their process more environment-friendly

NEED FOR THE STUDY

Green marketing has now evolved as one of the major area of interest for marketers as it may provide competitive advantages. However it requires investment in terms of technology enhancement, process modification, communicating benefits to customers etc. Many of the companies in India have now started marketing themselves as green organizations due to certain government regulations and shift in the preference of the consumers worldwide. However, not much research with respect to green marketing has been done in India and there is question about the awareness of green products among consumers. The attitude of Indian consumers towards green products and the relationship between the attitude and behavior is also questionable. As green marketing is different from the marketing in traditional way, marketers need to know the factors that persuade the consumer to buy the green products. This study aims to resolve the research question that what factors influence the consumer persuasion to buy the green product or not.

OBJECTIVES OF THE STUDY

.To assess the dimensional factor of “lifestyle measures” among the consumers regarding the eco-friendly products.

1. To determine the perceptual measures of the consumer towards the eco-friendly products.
2. To assess the impact of attitudinal measures of the consumers associated with the usage of the eco-friendly products.
3. To measure the consumer intentions towards the green marketing with the usage of eco-friendly products.

METHODOLOGY OF THE STUDY

1. **Sample Size:**360
2. **Sampling Technique:** Quota Sampling
3. **Type of Data:** Primary Data
4. **Method Used for Collecting Data:** Questionnaire
5. **Types of Eco-Friendly Products Considered for the study :** Food, Health Care Products, Cleaning Products, Household Products
6. **Regions in which data collected :** Samalkot, Peddapuram, Kakinada, Rajahmundry, Amalapuram (Selected Regions of East Godavari District)
7. **Type of test to be used:** Chi-Square test

HYPOTHESIS OF THE STUDY

The following are the assumptions which have to be proved or disproved with statistical analysis:

1. H_0 : There is no significant difference in the lifestyle measures as a dimension on the impact of green marketing.
 H_1 : There is significant difference in the lifestyle measures as a dimension on the impact of green marketing.
2. H_0 : There is no significant difference in the perception measures as a dimension on the impact of green marketing.
 H_1 : There is significant difference in the perception measures as a dimension on the impact of green marketing.
3. H_0 : There is no significant difference in the attitude measures as a dimension on the impact of green marketing.
 H_1 : There is significant difference in the attitude measures as a dimension on the impact of green marketing.
4. H_0 : There is no significant difference in the consumer intentions as a dimension on the impact of green marketing.
 H_1 : There is significant difference in the consumer intentions as a dimension on the impact of green marketing.

DATA ANALYSIS

Dimension- 1: Life Style Measures

S.No	Type of Eco- Friendly Product	O	E	(O-E)	(O-E) ²	(O-E) ² /E
1	Food Products	115	90	25	625	6.9
2	Cosmetic / Health Care Products	107	90	17	289	3.2
3	Cleaning Products	100	90	10	100	1.1
4	Other house hold Products	114	90	24	576	6.4
	Total	17.6				
	Chi-Square Calculated Value	17.6				
	Chi-Square Tabulated Value	7.815 with degree of freedom 3 at 5 % L.O.S.				
	Remarks	Rejected				
	Hypothesis	H ₀ is rejected & H ₁ is accepted				

DATA INTERPRETATION

As per the calculated analysis it is been found that there is significant difference in the life style measures of the consumers while using the eco-friendly products and the impact of green marketing is found better when compared to the other regions.

Dimension- 2: Perception Measures

S.No	Parameter	O	E	(O-E)	(O-E) ²	(O-E) ² /E
1	Eco- friendly products good for environment	79	50	29	841	16.82
2	Eco- friendly products healthy	95	50	45	2025	40.5
3	Eco- friendly products have a good quality/performance	131	50	81	6561	131.2
4	Eco-friendly products have a good taste and/or good smell	157	50	107	11449	228.98
5	Eco-friendly products have a reasonable price	142	50	92	8464	169.28
6	Eco-friendly products are well promoted	151	50	101	10201	204.02
7	Eco - friendly products accessible/available in the supermarket	201	50	151	22801	456.02
	Total	1246.82				
	Chi-Square Calculated Value	3.56				
	Chi-Square Tabulated Value	12.592 with degree of freedom 6 at 5 % L.O.S.				
	Remarks	Accepted				
	Hypothesis	H ₀ is accepted				

DATA INTERPRETATION

As per the calculated analysis it is been found that there is no significant difference in the perception measures of the consumers while using the eco-friendly products and the impact of green marketing is the same as it was earlier.

Dimension- 3: Attitude Measures

S.No	Parameter	O	E	(O-E)	(O-E) ²	(O-E) ² /E
1	I appreciate the package/design of eco-friendly product	147	35	112	12544	358.4
2	I understand the information on eco-friendly packaging	175	35	140	19600	560
3	I believe in the information on eco-friendly packaging	193	35	158	24964	713.2
4	I am willing to pay a premium price for an eco-friendly product	171	35	136	18496	528.4
5	I pay attention to eco-friendly advertising	183	35	148	21904	625.8
6	I believe in the eco-friendly advertising	164	35	129	16641	475.4
7	I know where the eco-friendly displays are located in my supermarket	185	35	150	22500	642.8
8	I easily find eco-friendly products in a supermarket	187	35	152	23104	660.1
9	I hear and I pay attention to my friends/family opinion concerning eco-friendly product	201	35	166	27556	787.3
10	I recommend eco-friendly products to my friends/family	183	35	148	21904	625.8
	Total	5977.2				
	Chi-Square Calculated Value	0.04				
	Chi-Square Tabulated Value	16.919 with degree of freedom 9 at 5 % L.O.S.				
	Remarks	Accepted				
	Hypothesis	H ₀ is accepted				

DATA INTERPRETATION

As per the calculated analysis it is been found that there is not much significant difference in the attitude measures of the consumers while using the eco-friendly products and there is also not much significance in the scenario of green marketing .

Dimension- 4: Consumer Intentions

Why would you purchase Eco-Friendly Products? Because:

S.No	Parameter	O	E	(O-E)	(O-E) ²	(O-E) ² /E
1	They give a good image of me	65	50	15	225	4.5
2	I want to preserve the earth	61	50	11	121	2.42
3	I just like eco-friendly products	57	50	7	49	1.02
4	I feel trendy/fashionable when I purchase eco-friendly products	64	50	14	196	3.92
5	If I do not purchase, people could judge me	59	50	9	81	1.62
6	I purchase eco-friendly products on unplanned decision in a supermarket	62	50	12	144	2.88
7	I was satisfied with most of eco-friendly products I bought	56	50	6	36	0.72
Total		17.08				
Chi-Square Calculated Value		17.08				
Chi-Square Tabulated Value		12.592 with degree of freedom 6 at 5 % L.O.S.				
Remarks		Rejected				
Hypothesis		H ₀ is Rejected & H ₁ is Accepted				

DATA INTERPRETATION

As per the calculated analysis it is been found that there is significant difference in the consumer's intentions while using the eco-friendly products and there is also much significant impact in the scenario of green marketing.

FINDINGS

1. It is been observed that the lifestyle measures of the consumers had a slight significant change on the environment with the type of products that has been considered for the study. The consumers are also found to be much more educated and concerned towards the usage of eco-friendly products.

2. As per the analysis that the perceptual measures of the consumers have not changed and it has no impact in the thinking of the consumer towards the usage of eco-friendly products ,as the consumers are having the same view in keeping the environment to be safe.
3. From the study it's been observed that the attitudes of the consumers using the eco-friendly products remained the same in the regions from where the information is collected. It also proved that consumers are heavily focusing on using the eco-friendly products, to keep the environment in a safer manner.
4. The consumer intentions have been changing from time to time so that they are paying more interest in making sure that the usage of green products are properly communicated ,so that every consumer has the intention of keeping themselves responsible to keep the environment safe.

SUGGESTIONS

1. Invest in research and create clean and environment friendly products.
2. Recycle at every level
3. Educate masses of the environment issues because they are going to be the bulk consumers.
4. Socially responsible investing in environment driven projects.
5. Plant more trees.
6. Their raw material and procurement strategies.
7. They should develop new products
8. They should redesign existing products and service.
9. They should realize that pollution prevention can be a cost saving activity.
10. They should steer their product and packaging designs to use less material

CONCLUSION

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 you 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

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