

Impact of Green Marketing Tools on Buying Behaviour of Indian Consumer

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ABSTRACT

Green marketing tools such as eco-label, eco-brand and eco-advertisement play an important role in creating perception and awareness about attributes and characteristics of green products and promoting demand for environmentally friendly products. Green marketing tools can be used by marketer for re-marketing, promoting and packaging their products and services for the satisfaction of the customers in a green way. On the other side the modern concept of green marketing tools provides new guidelines which have opened the new chance and favorable environment to the companies. In this research paper, we attempt to study the impact of green marketing tools on buying behavior of Indian consumers by observing and examining their buying habits of the green products and the factors affecting them.

Key Words: Green marketing tools, Eco-label, Eco-brand, Eco-advertising, Re-marketing.

1. Introduction

Since 1980, responsibility and worries of the society for the environment had drawn attention of the society to marketing. Green marketing and environment protection has become an area of interest for the researchers in the present scenario. Most of the European economies have shown a sharp increase in their interest in conserving the society with the development of green-friendly products.

The main reason for the environment awareness in the society is that the maximum countries in the world are promoting those plan and policies which are green-friendly in nature and educating the common people to create the image of green trust in the minds of customers (Charter and Polonsky, 2009). In the last few years, the Asian countries also made an effort to promote green marketing and societal protection in their economies (Chan, 2004). Indian economy also promotes and uses the same concept and tools to protect the society from harmful impact of pollution (Jain and Kaur, 2014). But maximum work related to the tools of green marketing is from the west and from Asian continent (Martenson, 2007). The studies on green marketing show that the customers from these economies have also become aware about the concept of green marketing. These customers are more attentive and cautious towards the emerging global business problems and issues. On the other side, the marketers are taking this as a new business opportunity for good profit. Recently government of Hong Kong have focused and stated the importance of these green issues in their policy (Chan, 2004). There is lack of studies about the impact of green marketing tools on Indian consumers. This

research, therefore, tries to fulfill the research gap by studying and examining the behaviors of Indian consumers towards green product and the factors which affect them.

2. Literature Review

In the late 1980s, for the very first time, the concept of "green marketing" was originated and promoted in the market (Peattie and Crane, 2005). Some of the researchers identified three levels of green marketing. The first level since the 1980s, second level in the 1990s, and the third level from 2000 onwards. Green marketing focuses on societal issues and strategies which enhance the knowledge of the customer and involvement of the marketer in these green-friendly activities. Green marketing is defined as marketing to find the solution to the customer problem without any harmful effect on society (O'Dwyer and Carson, 2009). Green marketing is the green promotion and green development of product which is green-friendly in nature (Chatterjee, 2009). Since late-1990s, the consumers have become more cautious and aware about the concept of green marketing (Sammer, 2006). Now consumers expect critical care from the companies and from other concerned personnel on these green issues (Roe, 2011). Green customers are those customers who dislike those products and services which are harmful for the society (Sammer, 2006). Some of the researchers report that the environment problems consist of the customers worries (Wustenhagen and Bilharz, 2014). Companies all over the world have started implementing green strategies to protect the problem to the environment (Ottaman and Hartman, 2006). As

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compared to the developing economies, the firms from the west are observed too be more concerned and are willing to start their operations for green marketing (Mathur and Mathur, 2010). Slowly and steadily, the concept of green marketing is gaining the momentum (Suman and Suparna, 2010). Green marketing is an important tool in the hands of the marketers which plays an important role in attending and creating consumer awareness by making organizations green-friendly in the India (Cohen, 2012).

2.1 Tools of Green Marketing

Three green marketing tools are studied in this research work to make customers aware about the green friendly products. These tools include green-brand (eco-brand), green-label (eco-label) and green advertisement (eco advertising) and will change the perception of people and make the people aware towards the greenly-friendly products (Cohen, 2012).

2.2 Green-Labeling

The concept of green label was introduced first time in Germany in late seventies (Kumar, 2014). Green label is an important green tool mainly used by marketers in order to promote green marketing and awareness among the society for particular product (D'Souza et al., 2006). The Green labels mainly provide the identification about the green product with two important aspects: value function and information function (Sammer and Wustenhagen, 2006). Rex and Baumann (2007) explained the concept of green-label as a tool for facilitating the green awareness and selection of green products. Many researchers explain green –label as a tool to give an idea to the customer about the safe product (D'Souza et. al., 2006). It is found that green labeling also act as a important tool which will affects the decision of the customer while making the purchase (Chen, 2011, Sammer and Stenhagen, 2006). Green label acts as a positive bridge in order to move the customer for the final purchase about the green product and service (Rashid, 2009). Some of the research studies explain the linkage between customer buying motive and green label ((D'Souza, 2004). According to some of the researchers the concept of green label in marketing is not focused yet, but if the marketer pays full attention to it then the outcomes could be much better as compared to the present scenario (D'Souza (2004). One main reason that is hindering the impact of green label is trust of the customer on this concept (Stafford, 2003).

2.3 Green-Brand

A green brand is a brand that consumers associate with environmental conservation and sustainable business practices. Such a brand appeals to the consumers who are conscious about protection of environment. A green-

brand is a combination of sign, symbol, design and name to reflect on the environmental-friendly characters of the product. A green brand can add unique selling point to a product and can enhance corporate credibility (Chatterjee, 2009). Green branding tends to attract customers as it facilitated identification of eco friendly quality products which are less harmful to the environment. The concept of green-brand is used to position the product in the mind of the customer and also used as a tool for the promotion. All these factors play an important role in actual purchase behavior and alter it with significant impact (Hartmann et al., 2005). There are certain category of products which the customer want eco-friendly and non-hazardous at any cost such as plastic and pesticides (Rahbar and Abdul Wahid, 2010). As compared to the Asian economies the western markets are more advance and friendly towards these green products (Wustenhagen and Bilharz, 2014).

2.4 Green-Advertisements

Green-advertising is the advertising focused on creating awareness about green products and promoting the sale of such products. Green-advertising is one of the techniques used by the companies to attract the customer and to enhance the market share. Often the companies that use green advertising also use eco-friendly operations and packaging. Throughout the globe, many organizations are using the concept of green advertising to get the attention of the customers and find solution of the ecological problems (Dasgupta, 2013). The main aim of green-advertising is to motivate the customers to green products to earn reasonable profit. Companies are attracted towards the green advertising because of three reasons: (i) concern of society about environment, (ii) support of society to companies showing support too environment, and (iii) to enhance sales and profit. Green-advertising develops the positive synergy and induces customers to buy green products (Bakewell, 2012). In green-advertisements an indirect message is conveyed to the society and things are presented in such a way that they influence the consumer purchase intention (Vasanthakumar, 2008).

2.5 Purchase Behavior of Consumers

Green marketing of the activities focused by most of the countries and slowly changing the attitude towards green products. This is motivating the customers to buy green products. As compared to the developing economies, the firms from the developed economies (from the west) are more attracted and are willing to start their operations in these Asian economies in order to capture the market share of the demand for green products (Gurau and Ranchhod, 2005, Sekaran, 2006). Marketers are very

focused towards marketing of green products to capture the market and to satisfy the customer needs and wants with eco-friendly environment (Ahmad et. al. , 2010).

2.6 Objectives and Hypothesis

As would be noted from the literature review, there is lot of research work done on the impact of green marketing tools on customers' buying behaviour in the context of developed countries, but not much has been done in context of developing nations. Therefore, this study intends to test the following hypothesis in regard to Indian customers:

H1. Green marketing tools are positively associated with customers' buying behavior.

H1a. Green-labeling is positively associated with customers' buying behavior.

H1b. Green-branding is positively associated with customers' buying behavior.

H1c. Green-advertising is positively associated with customers' buying behavior.

3. Research Methodology

The study is based primary data on responsiveness of customers to green marketing tools (green-labeling, green branding and green-advertising) collected through a questionnaire. Data are analysed by using factor analysis and multiple regression. Following the data analysis, findings, implications and limitations of the study are discussed.

3.1 Sample and Procedure

Most of the customers studied here are Indian consumers. The age range is between 35-65 years, the reason behind selecting this age group is that the people in this age group are more involved in the purchasing activities and are having the power to make decision according to their convenience. Data are collected through a structured questionnaire. The scale used for the study is five-point Likert scale (1 = Strongly Disagree, 5 = Strongly Disagree). With the help of this scale we try to study the impact of green marketing tools on customers' buying behavior. Study is based on the actual data as shared by the customers personally on green marketing concept. Customers are selected from the major shopping areas from metros (NCR Region, Jaipur, Indore and Pune) and non-metros (Agra, Gwalior, Aligarh, Jhansi) in India. Sample size from metros is 250 (NCR Region, Jaipur, Indore and Pune) and from non-metros is 250 (Agra, Gwalior, Aligarh, Jhansi) and the total sample size of 500 customers.

3.2 Measures and Data Collection

The structured questionnaire consists of five parts, as shown below in Table 1.

Table 1: Five Parts of Questionnaire

Part	Area Covered
I	Demographic Features
II	Idea and perception of green marketing.
III	Idea and perception of green-label
IV	Idea and perception of green-brand
V	Idea and perception of green-advertising

The scale used for the study is five-point Likert scale (1 = Strongly Disagree, 5 = Strongly Disagree). With the help of this scale we try to study the impact of green marketing tools on customer buying behavior. Questionnaires were filled personally through interaction with the respondents as per convenience sample of customers from the cities sited above. The respondents were requested to share their perceptions and preferences about green products vis-à-vis non green products. Green products are taken to be energy saving products and non green products to be energy consuming.

4. Data Analysis and Interpretation

Factor analysis was done of three variables for all the variables to get knowledge about the importance of each utilized variables and sub variables. To study the impact of green marketing tools on actual buying behavior, the green marketing tools are used as independent variables namely, green-advertising, green-label and green-brand. These all three variables are used for factor analysis. A factor analysis of all the items was done (the composition of all the items is as follows, green-brand, items of green advertisement and items of green-label) appropriately named as green advertisement, green-label, green-brand

Loading factors of all the items lie between 0.63 to 0.91 and eigenvalue of 2.79, 1.82, 1.54, and 1.11 respectively. The value of variance in all three factors is 71.66 percent the value of KMO is 0.66, Bartlett's Test of Sphercity is with significant value. The value of Cronbach alpha for the entire four dimensions is 0.79, 0.71, 0.83 and 0.55 respectively for green advertisement, green-brand, and green-label.

To analyze the relationship between the dependent variable and independent variable the multiple regression analysis was performed with a addressed hypothesis. Mean and standard deviation are used for descriptive analysis of all variables.

Table 2: Result of Factor Analysis

S.No.	ITEMS	1	2	3	4
IV	Eigenvalue	2.79	1.82	1.54	1.11
V	Percentage of variance	28.02	15.59	18.12	11.01
VI	Bartlett's test of sphericity	0.00			
VII	Kaiser-Meyer-Olkin	0.65			
VIII	Extraction Method: Principle component analysis Reliability	0.79	0.71	0.83	0.55
II	Green-label				
A	I am aware of green-label	0.01	0.14	0.91	0.03
B	The green label is best recognized to me.	0.06	0.13	0.90	0.004
III	Green-brand				
A	I am aware of green-brand	0.09	0.63	0.33	0.10
B	I know green-brand is useful.	0.15	0.88	0.02	0.04
III	Green-advertisement				
A	Green-advertisement improve awareness about green				
	Products	0.87	0.03	0.007	0.10
B	I like green-advertisement	0.82	0.13	0.10	0.05
C	Green-advertisement influence consumer purchase behavior	0.79	0.16	0.009	0.13

Table 3: Description of Variables

S.No.	Variable (Green Marketing Tools)	Mean	Standard Deviation
1	Green-label	2.90	0.78
2	Green-brand	3.18	0.61
3	Green-advertisement	3.71	0.62
4	Actual purchase behavior	3.62	0.81

It may be noted from Table 3 that most of the respondents admit that green advertisement is one of the effective tools to attract customer attract and educate them about the benefits of green marketing and eco-friendly brands. The mean value of actual purchase behaviour is 3.62. Here the mean value of green advertisement is (3.71), the mean value of green-brand is (3.18), and the mean value of green label is (2.90).

Table 4: Result of Multiple Regression Analysis

S.No.	Variable	β	Sig.
1	Green-label	-0.08	0.17
2	Green-brand	0.16	0.01
3	Green-advertisement.	0.05	0.52

Multiple regression analysis was carried out in order to identify the significant factors related to the consumer purchase behavior and the formulated hypotheses are tested. The results in Table 4 indicate that, green-brand ($\beta = 0.16$, $p < 0.01$) are absolutely and definitely associated with buying behavior of customer, accordingly, H1b is accepted. The impact of green-label and green advertisement is not significant on actual purchase behavior with ($\beta = -0.08$, $p > 0.01$) and ($\beta = 0.05$, $p > 0.01$) Hypotheses H1a and H1c are rejected.

5. Findings

- The Indian consumers are found to be more attentive and influenced by the green brand and commercially this concept is more beneficial for the marketer for creating positive image and enhancing the market share.
- Most of the Indians found to be very cautious for the environment and they provide the full support to the concept of green marketing.
- Green marketing seems to be motivating the customers to purchase the green product and services and increase the awareness in the Indian market.
- Many customers those are not purchasing the green

product in India because they are not aware about the green marketing benefits and outcomes.

- Most of the customers believed that green advertising increases awareness of customers about green products and finally affects their purchase decision.
- One thing which does not support green marketing in India is trust of the customer on green advertisement and their perception that the companies in the market are for profit making not for taking care of the society (Kilbourne, 1995). Most of the consumers who are not satisfied with the green marketing efforts of the marketer are so due to the promotion style which these marketer are adopting, which is not fruitful (Davis, 1993). In Indian market the marketers are using mass media for the promotion of green marketing and the main medium is television and Internet.

For the proper convincing and satisfaction of the customer it is noticed that the green brand tools should satisfy the customer in every way what they want for their satisfaction and the marketer should develop the policy in such a way that make the whole environment green friendly. At the end we can say that the green brand tools plays an very important role in the purchase decision of the Indian consumer. Apart from the industries the government of the India is also paying attention towards the concept of green brand and giving importance to the green manufacturing process and creating the green environment.

6. Limitations

The study has a few limitations. Due to time constraint, many areas have not been covered. The literature review for this study focused on the theoretical fields of green marketing and consumer buying habits. Convenience sampling is used, which is non-probability sampling technique and fail to provide real scene of the society. The sample is too small to draw conclusive implications. This research covers only general green brands and not specific green brands and Customers are less aware about the concept of green marketing. So they were not very clear while responding.

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