

GREEN MARKETING AND HOW IT IMPACTS THE CONSUMERS

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ABSTRACT

Although environmental issues affects all human activities, a dramatic increase has been witnessed in the recent time in environmental consciousness worldwide. A recent survey found that 82% of British citizens considered the environment as an immediate and urgent problem (Dembkowski and Hanmer-Lloyd, 1994), while another study proclaimed that 69 per cent of the general public believe that pollution and other environmental damage are impacting their day to day life (Worcester, 1993). The increase in environmental consciousness has had a major effect on consumer behaviour as well as society becomes more concerned with the usage and consumption of natural environment, businesses have begun to change their behaviour in an attempt to fulfil society's "new" concerns. Some firms have already implement the techniques like EMS (environmental management systems) and waste minimization, and have combined various environmental issues into all organizational routine activities. Some proofs & evidence of this is the development of journals such as "Business Strategy and the Environment" and "Greener Management International," their primary focus is to disseminate research relating to the green marketing and social problems in the business.

"Green Marketing" and "Environmental Marketing" are hot topics of discussions and debates in popular press worldwide. Many governments around the world have attempted to regulate green marketing (Polonsky 1994a). For example, in the USA the Federal Trade Commission and the National Association of Attorneys-General have researched and examined various green marketing issues [FTC 1991, NAAG 1990]. One of the biggest problems with the green marketing area is that very limited literature is available for further research in this topic [Carlson, Grove and Kangun 1993, Davis 1992, Davis 1993]

Keywords : Environmental consciousness, consumer behaviour, natural environment, society, journals, regulate, researched, limited literature.

1. INTRODUCTION

1.1 Green Marketing

Green marketing is on the rise and a rather new area acknowledged for research. There is not one universal definition of green marketing and the definition generally varies according to the researcher's viewpoint. Dahlstorm (2011) and Ottman (2011) have characterized green marketing as an integration of ecological concerns into marketing aspects including

production, distribution and logistics, promotion and packaging along with marketing communications. Green marketing associates with identifying the consumer needs and satisfying those needs in valuable and sustainable manner (Peattie, 1995). For this research, the definition adopted states that green marketing can also be used as a strategy that points the consumers towards the benefits of environmentally friendly products to influence their purchasing patterns (Harrison, 1993). Green marketing helps in brand differentiation of companies that in turn focuses on the environmentally aware consumers willing to buy green products (Chan, 2004). It can be inferred from various literature that green marketing basically bridges the communication between environmentally conscious firms and consumers, in turn strengthening their relationship. A green consumer, as stated by Elkington (1994), is indulgent in using environmentally friendly products including the ones using green manufacturing and production methods and the ones that are against animal cruelty and so on. Such green consumers are compelling companies to differentiate themselves by going green and consequently making a new market segment adding to the economies of different nations globally (Juwaheer et al., 2012). Empirical researches have recognized that issues regarding sustainability, awareness about environmental issues and green brands are becoming a focal point in developed and developing nations, with added consciousness from the government and population in general. Studies have been conducted on green buying behavior and attitudes of the different population and it was noted that green marketing was gaining prominence in developing nations (Khare, 2014). In the context of developing countries, studies concluded that green consumption was becoming popular and different elements that influenced green consumptions include, awareness and knowledge about green products, trust in eco-labels and brands, consumers' concern towards environment's degradation and their altruistic values, consumers were also found to be more socially integrated and have a cosmopolitan approach and favorable attitude towards green products (Mosafa, 2009, Rahbar and Wahid, 2011 and Juwaheer et al., 2012). India was appraised as a relatively new segment for further research in green marketing in contrast to the other developing nations (Khare, 2014). Green marketing is becoming more popular as more people become concerned with environmental issues and have decided that they want to spend their money in a way that is kinder to the planet. Green marketing involves integrated activities like manufacturing green product, using eco-friendly packaging, sustainable business dealings etc. This type of marketing is more expensive, but it also profitable due to the high demand. Local products of North America are considered much more expensive than those made in other countries using inexpensive labor. For some consumers, the environmental benefit outweighs the price difference. Many observers agree that some business firms enroll for green marketing solely because such an eco-friendly step will enable them to make a profit. Some businesses, however, focuses on running its activities in an environmentally-sensitive fashion because their proprietors feel a responsibility to preserve and prevent the existence of the natural resources even as they satisfy consumer needs and desires.

1.2 Businesses and Green Marketing

There are significant alterations for activation in the business world in relation to the importance towards the environment and the society. Corporate ethical code of the 21st century is being green. Without a doubt, the main objective of companies is profitability but it is highly difficult for companies with the particular objective of making profit to achieve

sustainability. Companies should be mindful of their duties towards the environment and the community similarly as towards customers, workers and shareholders. Climate change, environmental problems and social problems will confront the leaders of future generation for engaging effective and inclusive determinations. In the practice of engaging these determinations, the first concern of business society should be placed on the key of conserving the environment instead of improving the profitability of the business (Boztepe, 2012). In order to improve profitability, which is a direct advantage for the business itself, green marketing can advantage society by promoting not only the communication about but also the practice of green business process. The companies actually have a strong possibility to enhance their attitude if they engaged in environmental business activities. This is because to allege that their products are eco-friendly they have to absolutely assess the product in a way that matches valid requirements to acquire certified eco-labels. Also, they do not wish to lose the trust of the environmentally conscious consumers they focus on ("Fact Sheet-Green marketing," n.d.).

1.3 Marketing Mix in Green Marketing

The marketing mix is derived from conventional marketing (Kontic, Biljeskovic, & Brunninge, 2010). Marketing mix basically are the different ways invented by a company to bring a good or service to the market. In green marketing, environmental concern is an element that marketing mix must give on fully accountability. Marketing mix ordinarily known as 4P's comprises of components such as product, price, place and promotion. In the extended marketing mix as in case of service sector, three other components such as people, physical evidence and process are combined to make up 7P's. According to green marketing principle every components in the marketing mix will have a green perspective from establishing to introducing a product to the market (Arseculeratne & Yazdanifard, 2014). When a product is manufacture under a process of ecofriendly and harmless to the environment, the product may be named as green product. During production process, environmental pollution is an issue that business has to reduce. Natural resources ought to be preserved during physical removal of raw materials from a product. Significant area must be form by waste management in this connection. Ecofriendly design product should be manufactured and packaging process should lessen contamination and pollution. Product enhancements certainly involve a significant amount of sunk costs but they are worth the resolution since development in the product would bring about a turnaround in sales. The manner of reversed logistics whereby customers return to the business used wrapping, packaging and even the recycled product itself would considerably help to conserve the environment (Arseculeratne & Yazdanifard, 2014). Going green is absolutely pricey as they comprise various costs such as teaching nation, gadget, establishment of modern technology, absorbing extrinsic costs, converting waste into recycled products. Undoubtedly these will cause the products to be more.

2. GREEN MARKETING METHODS

Beyond producing eco-friendly product, business owners can perform various activities as part of their green marketing efforts. The following can be the ways by which business owners can fulfill his responsibility.

- Using recycled paper and eco-friendly inks for printing marketing materials

- Having a recycling program and responsible waste disposal practices
- Using eco-friendly product packaging
- Using efficient packing and shipping methods
- Using eco-friendly power sources
- Taking steps to offset environmental impact



Figure 1. Green Marketing

It is thus clear that previous research has not been able to recognize why a positive consumer attitude fails to convert into a green purchase (Gupta and Ogden, 2009). Further, there has been no comprehensive investigation of the wide-range of factors and their influence on environmentally responsible purchasing (Memery et al., 2005). The authors did not find any review study on attitude-behavior inconsistencies in the context of consumer green purchase behavior, although empirical studies concerned with various dimensions of green consumption were found. The existing attitude-behavior inconsistency and a lack of proper explanation thereof, along with an absence of a review addressing this issue, motivated the authors to review extant relevant literature on attitude-behavior inconsistency in context of consumers' green purchasing behavior. In addition, damage to the environment (pollution, depletion of resources, etc.) and as a result increased emphasis on manufacturing sustainable products by firms has made it essential to identify the factors influencing green purchase behavior of consumers, which provides additional motivation for the present research. A review of existing empirical studies would enable the identification of multiple factors motivating or hindering the green purchase behavior of consumers.

3. REVIEW OF LITERATURE

Prothero, A. (1998) introduces several papers discussed in the July 1998 issue of 'Journal of Marketing Management' focusing on green marketing. This includes; a citation of the need to review existing literature on green marketing, an empirical study of United States and Australian marketing managers, a description of what a green alliance look like in practice in Great Britain, ecotourism and definitions of green marketing.

Oyewole, P. (2001). In his paper presents a conceptual link among green marketing, environmental justice, and industrial ecology. It argues for greater awareness of

environmental justice in the practice for green marketing. A research agenda is finally suggested to determine consumers' awareness of environmental justice, and their willingness to bear the costs associated with it.

Prothero, A. & Fitchett, J.A. (2000) argue that greater ecological enlightenment can be secured through capitalism by using the characteristics of commodity culture to further progress environmental goals. Marketing not only has the potential to contribute to the establishment of more sustainable forms of society but, as a principle agent in the operation and proliferation of commodity discourse, also has a considerable responsibility to do so.

Kilbourne, W.E. (1998) discusses the failure of green marketing to move beyond the limitations of the prevailing paradigm. The author identifies areas that must be examined for their effect in the marketing/environment relationship, namely economic, political and technological dimensions of the cultural frame of reference.

Karna, J., Hansen, E. & Juslin, H. (2003) interpret that proactive marketers are the most genuine group in implementing environmental marketing voluntarily and seeking competitive advantage through environmental friendliness. The results also give evidence that green values, environmental marketing strategies, structures and functions are logically connected to each other as hypothesized according to the model of environmental marketing used to guide this study.

Donaldson (2005) in his study realized in the Great Britain initially concluded that in general the ecological attitude of consumers changed positively. This study reported the strong faith of consumers in the known commercial brands and in the feeble behaviour referring to the "green" claims, which was the main cause behind the consuming failure to interpret their concerns beyond the environment in their behavior.

Alsmadi (2007) investigating the environmental behaviour of Jordanian consumers reveals a high level of environmental conscience. Unfortunately however this positive tendency and preference in the "green" products does not appear to have any effect on the final decision, obviously because these consumers have a stronger faith in the traditional products and a small confidence in the green statements. The above obstacles are further strengthened by the lack of environmental conscience by a lot of enterprises and the existence of a large scale of prices for the same product, many of which included an impetuous estimate of environmental responsibility. The same phenomenon has been presented in other researches too (Ottman, 2004; Donaldson, 2005).

Cleveland et al, (2005). Brahma, M. & Dande, R. (2008), The Economic Times, Mumbai, had an article which stated that, Green Ventures India is a subsidiary of New York based asset management firm Green Ventures International. The latter recently announced a \$300 million India focused fund aimed at renewable energy products and supporting trading in carbon credits.

Sanjay K. Jain & Gurmeet Kaur (2004) in their study environmentalism have fast emerged as a worldwide phenomenon. Business firms too have risen to the occasion and have started responding to environmental challenges by practicing green marketing strategies. Green consumerism has played a catalytic role in ushering corporate environmentalism and making

business firms green marketing oriented. Based on the data collected through a field survey, the paper makes an assessment of the extent of environmental awareness, attitudes and behaviour prevalent among consumers in India.

4. RESEARCH OBJECTIVES

1. To study the awareness of consumers with respect to green marketing.
2. To find the willingness of the consumers to pay more for green products.
3. To find out awareness about eco- friendly or green products.
4. To analyse relationship between education and income with awareness of green products.

5. FINDINGS AND CONCLUSIONS

As environmental issues continue to affect human activities, society is now regards them with much concern. Most firms have started using sustainable development framework which is known as green marketing and most of the organizations have acknowledged green products which are environmentally friendly. Marketing managers can use green marketing to earn profits. In addition, green marketing is able to preserve the environment while satisfying customers' needs. Therefore, green marketing is a tool now used by many companies to increase their competitive advantage as people is presently very concerned about environmental issues. In the time applying green marketing, the companies have to comply with the consumers' needs and wants. Consumers want to recognize themselves with companies that are green compliant and are willing to pay more for a greener life style. Other than that, marketers can provide training to their employees, especially sales representative. This is to give them knowledge on how to promote the green product effectively by clearly presenting the main message to the consumers. Green marketing covers a wide range of business activities and it is similar to marketing mix. Therefore, marketers should adopt a suitable single green marketing mix and strategy corresponding to company in which they conduct and target consumers' demands and personality. In addition, companies that carry out green marketing in the right place and on the right person may support the company to achieve their competitive advantage

Now this is the appropriate time to adopt "Green Marketing" globally. It'll lead to forceful amendments within the world of business if all nations can assign strict rules because green marketing is crucial in saving the world from pollution. Green marketing promotion should not be considered as single approach to promoting the product but has to be pursued with a lot bigger vigor, as it has an environmental and social dimension to it. With the threat of global warming looming at a fast speed, it's very vital that green marketing becomes the norm instead of an exceptional rage. Recycling of paper, metals, plastics, etc., in a safe and environmentally harmless manner must become much more systematic and universal. It has to become the general norm to use energy-efficient lamps and different electrical goods. Marketers even have the responsibility to make the consumers understand the requirement for and advantages of environmental friendly products as compared to non-green ones. Green marketing has a lot of importance in developing countries like India.

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