

GREEN MARKETING: TOWARDS RESPONSIBLE CONSUMPTION

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Abstract

In the modern era of globalization, it has become a challenge to keep the customers as well as consumers in fold and even keep our natural environment safe and that is the biggest need of the time. Environmental pollution is a buzz word in today's business environment. Consumers are also aware of the environmental issues like; global warming and the impact of environmental pollution. Green marketing is a phenomenon which has developed particular important in the modern market and has emerged as an important concept in India as in other parts of the developing and developed world, and is seen as an important strategy of facilitating sustainable development. The paper aims at identifying the perception of the consumer towards green products, strategies adopted by business organisations and the challenges faced by them.

Key words: Green marketing, Go Green, sustainability, environmental friendly.

Introduction

Current global warming trends are unequivocal. It is very likely that the greenhouse gases released by human activities are responsible for most of the warming in the past fifty years. They are projected to continue with greater intensity over the course of 21st century and beyond. According to Field (2006) some retailers are implementing environmental practices due to high awareness around the impact of poor customer habits with regard to consuming traditional products.

As belief in global warming began to grow and communication technologies continued to improve at an alarming rate, a more global response to environmental concerns took hold. Companies began to talk in earnest about long term competitive advantage strategies, integrating environmental values into the company culture, and began asking "how can we become genuinely sustainable?"

As society becomes more concerned with the natural environment, businesses have begun to modify their process in an attempt to address society's new issues. Some businesses have been quick to accept the newer challenges or changes like environmental management, minimization of the waste aligning with organizational activities. For a company to be successful in implementing green marketing strategy, it should not forget attitude of consumers towards green marketing. The basic ideas behind environmentalism dictate that corporations have responsibilities that go beyond the production of goods and services. These responsibilities involve helping to solve important social problems, especially those they have helped create.

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".

It is accepted that **Green Marketing** is not a passing trend and they are aware of the demand for green products. Of course there are no complete green products for they all use up energy

and resources and create by-products and emissions during their manufacture transport to warehouse and stores usage and eventually disposal.

The Four Ps of Green Marketing:-

Like conventional marketers, green marketers must address the 'four Ps' in innovative ways.

1. Product

Entrepreneurs wanting to exploit emerging green market either:

- Identify customers' environmental needs and develop products to address these needs; or
- Develop environmentally responsible products to have less impact than competitors.

The increasingly wide varieties of products on the market that support sustainable development and are good for the triple bottom line include:

- Products made from recycled goods, such as Quik'NTuff housing materials made from recycled broccoli boxes.
- Products that can be recycled or reused.
- Efficient products, which save water, energy or gasoline, save money and reduce environmental impact. Queensland's only waterless printer, Print point, reduces operating costs by using less water than conventional printers and is able to pass the savings on to customers.
- Products with green labels, as long as they offer substantiation.
- Organic products—many consumers are prepared to pay a premium for organic products, which offer promise of quality. Organic butchers, for example, promote the added qualities such as taste and tenderness.
- A service that rents or loans products –such as toy libraries.
- Certified products, which meet or exceed environmentally responsible criteria.

2. Price

Pricing is a critical element of the marketing mix. Most customers are prepared to pay a premium if there is a perception of additional product value. This value may be improved performance, function, design, visual appeal or taste. Environmental benefits are usually an added bonus but will often be the deciding factor between products of equal value and quality. Environmentally responsible products, however, are often less expensive when product life cycle costs are taken into consideration.

3. Place

The choice of where and when to make a product available has a significant impact on the customers being attracted. Very few customers go out of their way to buy green products merely for the sake of it. Marketers are looking to successfully introduce new green products should, in most cases, position them broadly in the market place so they are not just appealing to a small green niche market. The location must also be consistent with the image which accompany wants to project. The location must differentiate company from its competitors. This can be achieved by in-store promotions and visually appealing displays or using recycled materials to emphasize the environmental and other benefits.

4. Promotion

Promoting products and services to target markets includes paid advertising, public relations, sales promotions, direct marketing and on-site promotions. Smart green marketers will be able to reinforce environmental credibility by using sustainable marketing and communications tools and practices. For example, many companies in the financial industry are providing electronic statements by email, e-marketing is rapidly replacing more traditional marketing methods, and printed materials can be produced using recycled materials and efficient processes, such as water less printing.

Research Gap

Many literatures and surveys which examine the consumer behaviour cover on different subjects and disciplines and determine the factors influencing the green marketing attitudes towards purchase of the products. The purpose of the thesis is to provide an overview of the green marketing related issues and motives behind the attitude of the consumers towards eco-friendly products especially in the FMCG sector.

This research could have significant and vital impact on the readers as far as the role of consumer plays in the green marketing on the FMCG research and the safeguarding of the earth from depletion resources. Further, it could reveal which marketing strategies that companies should adopt to understand better consumers' needs in term of green products.

The focus is on the purchase of green products in the fast moving consumer goods (FMCG) sector also called consumer packaged goods (CPG) sector which are non-durable goods. Products that consumers frequently buy and use immediately such as the food, the health care products; which are mainly sold in retail stores and having a short useful life

Importance of the Study

A section around the world has become more concerned with the natural environment, this concern has resulted in either personal motivation or through government legislations quietly this was followed by organizational activities aiming at modifying the organizational behaviour to adapt with these social trends. Polanski (2007) indicated that the evidence of this was the emergence of journals such as; "Business strategy and the Environment" and "Greener Management international," which ate specifically founded to publish articles, relating to business' environmental behaviour.

Companies have been using green marketing for many reasons such as green policies are profit-making; the business world is more and more implicated in the social responsibilities. Furthermore consumers have been changing of attitudes and due to the government and the competitive pressures it is essential for firms to consider the "green" adjective to marketing strategies (Ghosh, 2010, p.83).

However, it has become global struggling to achieve the purpose of the environmental protection so companies are using various means to persuade the consumers' segments who are environmentally conscious to change their attitudes from the conventional products towards green products and also satisfy their needs (Kumar, 2011, p. 59).

Objectives of the Paper

- To study the consumer perception about Green FMCG products.
- To segment the consumer into various shades of Green.
- To understand buying motives in purchase of Green FMCG Products.
- To ascertain the extent of green marketing contribution to business development.

Research Methodology

The questionnaire method was adopted to collect data and was personally administered to the respondents. Working respondents were met at their offices and home makers at their houses. The complete questionnaire was collected after a couple of days to enable them to devote time and care in giving accurate and meaningful data. The questionnaires were mailed to the manufacturers and sufficient time given to complete the same.

The format of the questionnaire was made simple and easy in order to seek the co-operation of majority of the respondents. The questionnaire contained simple multiple choice, rank order questions eliciting information on demographics, awareness on environment protection, motive for consumption and also the manufacturer's understanding of the concept of green marketing and its contribution to sustainability in business.

Review of Literature

Businesses begin asking "how do we satisfy our green consumer?" and "how can we communicate the green aspects of our products?" often answered with short-term reactive solutions (Leonidou and Leonidou, 2011). The literature review in this article tells a similar tale, detailing a literature that discusses aspects of the green consumer, effective advertising to this marketing, and larger advertising strategies such as partnerships and product pricing.

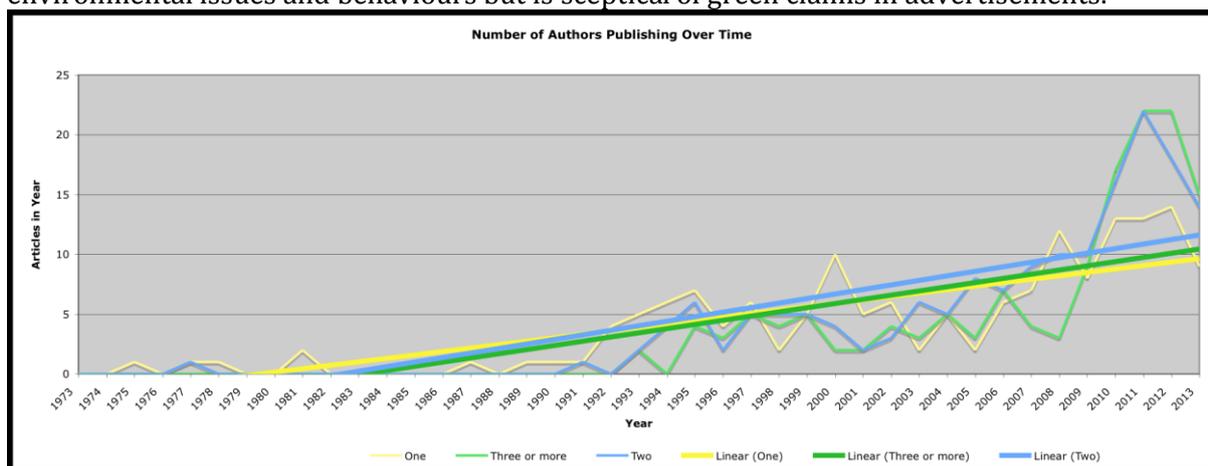
Leonidou and Leonidou (2011) detail this era as one moving towards a more long-term proactive approach to sustainable business.

Solomon et al. (2010, p. 208) investigated the consumerism on the “lifestyles of health and sustainability” (LOHAS) on the green consumers impact on the consumer and business market. This is a new segment of the market in which researchers are having a keen interest to cover the areas of their attitude towards environment which lead to their purchasing behavior.

According to a press release made by Mintel (organization of food and drink market researches) in November 2010, the consumer packaged goods (CPG) or FMCG sector should follow twelve trends, among these trends some of them concern the environment such as “redefining natural” or “sustainability” such as respect the regulation to say that a product is natural or not and for example continue to reduce packaging.

Chamorro, Rubio and Miranda’s (2009) systematic review of the literature between 1993 and 2003 also highlights a rising focus on consumer recycling programs during this time.

Paço, Raposo and Filho (2009) has divided consumers into three segments based on age and environmental interest: the uncommitted, green activist and the undefined. The uncommitted make up 36% of consumers, are often aged 18 to 34, highly educated, living in urban environments with low income. They take a negative position on environmentalism despite claiming to have knowledge on the issues. The green activists make up 35% of consumers, between the ages of 25 to 34 and 45 to 54, with the highest education of all the segments, who earn high incomes by working in qualified jobs. This segment responds favourably to environmental issues and behaviours but is sceptical of green claims in advertisements.



Manaktola and Jauhari (2007) explored consumer willingness to pay for environmentally friendly lodging in India. It was found that consumers preferred ecologically sound lodging, but were not willing to pay a premium.

A large-scale quantitative survey made in May 2007 by Vizu Study, showed that 74% of the American thought that global warming is important and more than the half of them (51.9%) think that is extremely important (Grant, 2007).

Pedersen and Neergaard (2006) rejected many of the claims stated above by arguing that the way consumer response to eco-labels has been studied is too basic. The authors argued that in reality green consumer's buying habits are complex and the effectiveness of eco labels cannot be delimited into a yes or no debate, but must be considered on a case by case basis.

Current Scenario

A large number of firms are using green marketing, and there are a number of potential problems which need to be addressed. One of the main problem is that firms using green marketing must ensure that their activities are not misleading to the consumers or the industry, and do not breach any of the regulations or laws dealing with environmental marketing. In short, green marketing claims of a firm must:

- Clearly state environmental benefits;
- Explain environmental characteristics and also explain how benefits are achieved;
- Ensure comparative differences are justified and to reinstate how negative factors are taken into consideration; and
- Only use meaningful terms and pictures.

When firms attempt to become socially responsible, they face the risk that the environmentally responsible action of today will be found to be harmful in the future. The aerosol industry which has switched from CFCs (chlorofluorocarbons) to HFCs (hydro-fluoro-carbons) only to be told HFCs are also a greenhouse gas. Some firms now use DME (dimethyl ether) as an aerosol propellant, which may also harm the ozone layer. Given the limited scientific knowledge at any point in time, it may be impossible for a firm to be certain they have made the correct environmental decision.

ANALYSIS AND INTERPRETATION

I Age and Motive for Consumption

Age	Motive					Total
	I	II	III	IV	V	
18-24	10	20	10	20	-	60
25-34	8	14	2	20	-	44
35-50	1	2	19	10	2	34
50 and above	1	6	2	2	1	12
Total	20	42	33	52	13	150

Chi Square Test	Calculated Value 4.6	Table Value at 5% level of Significance 21.026	No Significance
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Interpretation:

From the Table above, it can be observed that there is no association or no difference in the motive for purchasing green products taking age into consideration. Respondents irrespective of the age have asserted that value for money followed by environmentally friendly are the two dominant factors for their motive closely followed by prestige value.

II. Family status and Motive for purchasing

Family status	Motive					Total
	I	II	III	IV	V	
I	6	18	9	18	-	51
II	6	23	24	30	2	85
III	8	1	-	4	1	14
Total	20	42	33	52	3	150

Chi Square Test	Calculated Value 24.36	Table Value at 5% level of Significance 15.507	Significant
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Inference:

The Table above clearly demonstrates that there is relationship or association between family status and the motive for purchasing. As the respondents have clearly indicated that value for money as the greatest motivating factor and since they value so much, their decision is influenced by the family members, which significantly differs when it is joint or nuclear family. This scene will be subject to change as it is also noted that people are becoming increasingly aware of the benefits of eco-friendly products.

III. Age and Type of product preferred

Age	Type of Product preferred					Total
	I	II	III	IV	V	
18-24	38	13	3	6	-	60
25-34	20	8	8	8	-	44
35-50	23	9	2	-	-	34

Chi Square Test	Calculated Value 9.88	Table Value at 5% level of Significance 16.919	No Significance
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Inference:

From the Table above it is evident that there is no association between age and the type of product preferred. As stated majority of the respondents irrespective of their age have asserted that they prefer food followed by health care as their highest preferred products amongst others.

IV Income Level and Product Preferred

Income Level	Type of Product preferred					Total
	I	II	III	IV	V	
I	30	10	5	-	-	45
II	18	-	8	4	-	30
III	18	9	1	1	-	29
IV	5	2	2	-	-	9
V	18	9	-	10	-	37
Total	89	30	16	15	-	150

Chi Square Test	Calculated Value 20.8	Table Value at 5% level of Significance 21.026	No Significance
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Interpretation:

The analysis further proves that irrespective of the category of income the respondents belong to they have asserted that food followed by health care seems to be their prime concern when they think about eco-friendly products.

Findings:

- It has been observed through the process of data collection and interaction amongst respondents irrespective of their age that there is wide spread awareness on environment protection.
- The respondents have also positively asserted that they are aware of eco-friendly products that are made available to them.
- Of the various motives behind purchase it is understood that value for money very closely followed by protection for environment tops the list.
- But it can also be noted that the family status of the respondents has a definite influence on the decision to buy or not to buy such products as they are premium priced.
- It is also known that the most frequently purchased eco-friendly products are food items closely followed by health care products.
- The manufacturers have also asserted that the awareness amongst respondents about environment protection has reflected on their demand for such products on shelves.
- It is well noted that such eco-friendly products are to some extent benchmarked against traditions products in respect of quality and functionality.
- It is also brought to our notice that even though it is a part of corporate mission it is not seriously practiced by all concerned.
- The sale of green products have greatly enhanced the goodwill of the business.

IMPLICATIONS

- Manufacturers can focus on increased sales for the products are gaining popularity among all age groups.
- Reputed brands can enhance their advertisement to target those consumers whose decision is influenced by their family status.
- Such companies can also help those consumers who do not purchase assuming such products are costly.
- More outlets can be opened as is widely believed environment protection is the profound duty of every citizen.
- Companies into such manufacture can intensify their approach to help the public to know more about green marketing and its benefit to the society at large.

CONCLUDING REMARKS:

Indian literate and urban consumer is getting more aware about the merits of Green products. But it is still a new concept for the masses. The consumer needs to be educated and made aware of the environmental threats. The new green movements need to reach the masses and that will take a lot of time and effort. Green marketing is relatively a new notion to the most of the consumers. However, the green marketing is the marketing of product that are presumed to be environmentally safe.

Green Marketing is posing some of challenges which require innovative technology so that the 'green products' can fetch wider market at domestic and international levels. It require a periodic review of the 'green product', s that the products may become **ecological viable**'as well as **economical viable** for the consumers, especially belong to middle and low income groups

Research in green production has moved from waste avoidance to, most recently, use productivity. Within the field of green production, credentials are claimed in the area of product, process, use and end of life with sparse cases on companies tending to focus on product brand rather than life cycle impact.

This has been a complex topic to review. The existing knowledge base is somewhat fragmented; the term, green, is used widely and loosely in the popular press; there are many ways that companies can claim credentials for green production; and there are clearly differing values placed on green production within competitive strategy. At this level, it appears that our

existing knowledge of production operations is inadequate to support the rapid growth of green producers and that many firms will be slow to reap the benefits of these new business opportunities.

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