Various Green Marketing Variables and Their Effects on Consumers’ Buying Behaviour for Green Products

Dr. Meghna Sharma¹, Prachi Trivedi²*

Amity University

Abstract: “Green” is the word of the day. The government, companies and consumers in general know the importance of the environment and the contribution done by all to degrade it. It becomes very much crucial now to alter the way of living to save the existence of our own. And marketing can do wonders to bring this change. What is required is to identify the needs and wants of consumers and the variables which affect them the most. This paper identifies those variables and the effect of each on consumer’s green buying behaviour. There are eight such variables namely eco-labels, eco-brands, environmental advertising, environmental awareness, green product, green price, green promotions and demographics. Each variable is equally significant for the green marketer. He should know which variable to emphasize more as per the market segment he is concentrating. This paper gives a vivid description of each variable.

Keywords: green marketing, consumer behaviour, eco-labels, eco-brands, green advertising, green product, green price and demographics.

I. INTRODUCTION

All over the world, environmental issues are the much talked about issues. Environmental issues have earned a rapid pace in the corporate world and in general live as well (Gupta et al., 2013). Every second human walking down the street is aware of the common threats like global warming, pollution, ozone layer depletion, scarcity of natural resources etc. All these threats are somewhere or the other are related to production and this fact is known to the world. Successful marketing includes identifying such trends and positions the products and services in a way to appeal the consumers (Maheshwari, 2014) in particular and the world in general.

Earlier the companies were formed with the objective of profit maximization but the recent perception is to establish companies that are sensitive towards the society as well (Boztepe, 2012). And here comes the Green Marketing in picture. Green Marketing helps in fulfilling this aim of the companies. This is not just another marketing strategy but it needs a careful and in-depth analysis of consumer buying behaviour to be successful.

The Marketing Mix for Green Marketing has to be balanced so as not to overemphasize any one aspect of marketing. All the four Ps affect asymmetrically the minds of the consumers. For some product features are important, for some promotions affects the most and for some distribution and availability is significant. Product, price, promotion and place bear the direct impact on the purchasing behaviour of the consumers.

On the other hand, the demographic variables like age, gender, education and income makes the mindset of the consumers different from one another. How green marketing changes the attitudinal behaviour of the consumers towards environment and leads them to purchase green products has a direct relationship with demographic variables stated above. It is seen in many researches and studies that green marketing activities’ influence varies drastically with the variations in demographic variables.

Companies now-a-day try to make consumers aware about the pros of going green. The use of Eco-labels, Eco-brands and environmental advertising are the new green marketing practices adopted by the marketers. These green marketing tools perform a crucial role in amending the minds of consumers and making them purchase green products (Delafrooz et al., 2014). And this move reduces the harmful impact of non-green products on the environment. According to Ginsberg and Bloom, the strategies should be framed according to the market and the consumer concern for the environment as single marketing strategy would not be suitable for all the firms, markets and consumers.

II. LITERATURE REVIEW

Maheshwari (2014) in her paper said that in the world there is increasing awareness about green but in India, consumers are still in the nascent stage of green awareness. There are two aspects of green marketing: telling the value of
going green and creating marketing strategies through which green message can be sends to create the awareness about green in
the minds of the consumers. She further said that every product bears some impact on the environment at some point of time in its product life cycle. There is not a single product in the market which is totally environment friendly and does not bear any impact on environment. There is a gap between how consumers behave and what they believe. In the case of green marketing, even if the consumers are aware of green marketing and green products, they still don’t buy them. In her study, most of the respondents buy the green products which are well known.

Kuthiala and Mahajan (2012) are of the view that there is a lot of scope to explore the potentials of green marketing and consumers’ awareness is not shown in their buying behaviour. They throw some light on the role of demographic variables like age, gender, education and profession on the awareness and purchase of Fibreglass Reinforced Plastic products. It is a new environment friendly material used in the construction. It is technologically advanced and does not contain CFCs even. The trends of Green Buildings are getting into markets and which leads to the formation of LEED (Leadership in Energy and Environmental Design). LEED is doing a remarkable effort but still there is a gap what is being done and what can be done.

In a paper by Boztepe (2012), he has shown a relationship between green product, green promotions, green price, environmental awareness and green buying behaviour. According to the study done by him, what affects male consumers are green price, green promotions, green product features and environmental awareness while for female consumers only green promotion affects their buying behaviour. No more is the time that companies are made just for the profit purposes. There are so many objectives besides profit making. He found a significant positive relationship between all the variables of his study.

Delafrooz et al. (2014) have focused on recent green marketing strategies adopted by companies which have concentrated on packaging and labelling. According to them the variables which affect the consumers’ buying behaviour are psychological-individual marketing, socio-cultural and mixed situations. How Eco-labels, Eco-brand and environmental advertising affect consumers’ buying behaviour is the main concern of the marketers now. They are also of the same view that “green marketing is currently not achieving its potential for improving the quality of life of consumers, whilst improving the natural ecosystem.”

Yazdarifard and Mercy (2011) said that environmental protection is the ultimate aim of green marketing. Producing ecologically safe products, good pollution control systems, recyclable packaging, development of operations which are energy efficient and water efficient are the parts of Green Marketing. Our present and future generations, animals, plant and plant species are the stakeholders in green marketing. Companies should focus on customer satisfaction as well along with environmental protection because customer satisfaction will only lead to customer loyalty. OSHA, TSCA, FIFRA, GHS, CERCLA, HMTA and FFDCA are some of the regulatory bodies.

Saini (2013) in her research paper said that those products and services which are not green but are presented as green is called green washing. There is a difference between “green” and “eco-friendly”. A product may be sourced responsibly but it is not necessarily be organic. According to the study done by her, 25% of the consumers prefer eco-friendly products.

In a thesis by Daria and Sara (2011), the influence of eco-labels on consumer buying behaviour in particular refer to bakery industry is discussed. They argued that eco-labels do have influence on consumer buying behaviour but it is very difficult to make this statement for bakery industry as there is inadequate advertising and people are not able to get information about such products.

Agyeman (2014) argued that there is a positive relationship between the factors and consumer buying behaviour for green products. He said that quality and price of the product and environmental concerns play a vital role when it comes to actual purchase of the green products. He recommended that green marketers should make strategies after the proper understanding of the segment market and plan marketing mix strategies accordingly.

Promotosh and Sajedul (2011) in their thesis came out with a conclusion that three things which affect young consumers mind towards green products are- environmental knowledge, peers and parents. The empirical research found out that 27-30 is the age group which the international green marketers should focus on.

Anvar and Venter (2014) conducted a study on generation Y in South Africa and found that the things which influence buying behaviour and attitude for green products are social influence, price and environmental awareness level of the young Generation Y.

III. GREEN MARKETING AND CONSUMER BEHAVIOUR DEFINED

Green marketing is the marketing of those products which are safe for the environment and the society as a whole. It includes a wide range of activities; changes in the production process, changes in the product itself, changes in the packaging and labelling and changes in promotions. When the products and services are measured on the basis of
environmental benefits which they give and then sold, is the process of Green Marketing. Any product or service which itself is environmentally friendly or is produced or packaged in such ways can be termed as Green. “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 decisions accordingly” (Saini, 2013). Nowadays, marketers are engaged in activities where they showcase their products as green when they are not and this practice is called “green washing”. This practice should be controlled as the consumers are becoming sceptical of the green claims made by the companies. Consumers should also be made aware of the fact that reducing water usage in production, using energy efficient machines, reducing pollution are also a part of Green Marketing.

Consumers’ behaviour is influenced by the activities of the marketers. They behave in a particular way which makes the marketers to create policies which affect them the most. “Consumer behaviour includes mental activity, emotional and physical that people use during selection, purchase, use and dispose of products and services that satisfy their needs and desires” (Kotler, 1999). Many activities are included in consumer’s behaviour and it is motivational as well. It is a process which includes different complexities at different stages. Consumer behaviour has many roles to play which is influenced by external forces like culture, society, location, family and many more. There is a process and stages in consumers buying decision. The stages are-

1) Identification of problem or needs,
2) Searching the alternatives,
3) Evaluation of alternatives,
4) Making the purchase decision, and
5) Post purchase behaviour.

And there are different variables which affect the buying behaviour of consumers. In this paper the green marketing variables are discussed.

IV. MOTIVES OF THE STUDY

The following are the objectives to conduct this study:

1) To identify various variables of green marketing.
2) To study the effect of each variable on consumers’ buying behaviour for green products.

V. RESEARCH METHODOLOGY

In this paper, the study is based on secondary data which is collected from various websites, online journals and research papers from various authors.

VI. GREEN MARKETING VARIABLES

The following are the green marketing variables and their effect on consumer buying behaviour is reviewed.

1) Eco-labelling- Eco-labels are one of the important variables of green marketing. They are a part of packaging and they can be in the form of a piece of paper or any diagram. Labels provide knowledge about the brand product and many more information. Labels play two important functions: an information function and a value function (Delafrooz N et al, 2014). Eco-labels are very useful for consumers as they provide knowledge about how the product is made and so consumers can take a decision whether to buy the product or not. It helps consumers to identify environment friendly products.

In a study done by Daria and Sara, they found that 43% of respondents believe that eco-labelled products are good for the environment and the same percentage of respondents think that they are good for health and environment both. Only for 2% of respondents eco-labels means nothing to them. This shows that eco-labels are effective in influencing consumers. And in the same study, 56% of respondents are even willing to pay more for such products. A large number of 73% respondents believe in the credibility of eco-labelled products.

There are some studies which show the linkages between the eco-labelling and the consumers’ behaviour to buy the eco-friendly products. In a research by Nik Abdul Rashid, a positive relationship is found between eco-labels and intention of consumers to purchase eco-friendly products. The consumers’ ignorance to identify eco-labels is one reason of their distrust in eco-labels. 2007 LOHAS report on Consumer Trends Database by Natural Marketing Institute shows that different eco-labels have different impact on consumers. If the labels are widely accepted and recognized, the consumers are more likely to make purchase decision. See Figure No. 1. According to the report, EPA’s Energy Star ranks the highest in influencing the customers. A study done on Finnish consumers by J. Jarvi in 2010 shows that 45.5% of respondents study products before purchasing them while nearly equal number of 40.5% of respondents were spontaneous buyers. If we keep the results of this study in mind, we can conclude that it is easier for recognized eco-labels to get sold. In the same study, 60% of respondents were frequent or very frequent buyers of eco-labelled products.

“Like all brands, eco-labels take significant time and resources to build” (Wigder, 2008). For-profit companies have to face the bigger challenge than the NGOs and government organizations to establish their eco-labels.

2) Eco-brands- A brand can be defined as “a name, term, sign, symbol, or design or the combination of them, intended to identify the goods and services of one
seller or group of sellers and to differentiate them from those of a competitor” by American Marketing Association. In the same way, Eco-brand serves the purpose of differentiating a brand on the basis of its environmental benefits. Eco-brand makes a product different from other products and makes it more identifiable among the thousands of varieties of products. A green and non-green product can be easily discriminated on the basis of an eco-brand.

A research done in western countries like USA and Germany, it is found that people are more positive towards the brands which are eco-branded. According to Wahid and Rahbar’s study on Malaysian consumers many products like glass, plastics, household cleaning products, pesticides and aerosols are considered as non-green and products which are eco-branded are responded positively by consumers. A recent study on online consumers by Neilsen reveals that globally 55% of consumers are willing to pay more for services and products that are environmentally and socially responsible. It further reveals that inclination towards eco-brands is highest in Asia-Pacific with 64% followed by Latin America with 63% and Middle East with 63%. With the survey done in 60 countries the Neilsen Global Survey found that 52% of respondents agreed that in the last six months they have purchased at least one product from eco-branded company. Further they found that most of the respondents first check the eco –labels before checking the eco-brand.

A Green Brands Survey which was done by Penn Schoen Berland, published in Landor said that most of the people turn to Internet for information about green brands. The Eco-brands that have a websites are more likely to be purchased, recognised and trusted. Knowing about the consumers’ brand preference can help marketers and researchers to establish eco-brands. Consumers seek emotional brand benefits and this is one of the most important factor motivating consumers to alter their buying behaviour. In the favour of eco-friendly products, Eco-brands are used to underline the standing of green products with the focus on environment.

3) Environmental Advertising: Marketers are moving towards advertising either through media or newspaper to make consumers aware about their green products or services. Growing movements for green worldwide and consumers’ increasing concern for environment making the marketers opt for environmental advertising. The objective of it is to influence consumers to buy the products that are harmless to the environment.

A study by Dania and Erika shows that females are more responsive with positive attitude towards green advertising and green products. Eco-advertising helps in the growth of green marketing strategies (Haytko and Matulich, 2010). Through Eco-advertising there is a positive change in the consumers’ behaviour towards green marketing strategies (Neft and Thompson, 2007). Haytko and Matulich’s study resulted in the view that consumers practising environmental behaviour are more inclined towards green advertising.

Another study by MAH Rahim conducted on Malaysian youth concluded that consumers who have some prior knowledge of ‘green living’ have more positive attitude towards eco-advertising (Rahim and Zukni, 2012). Their study found out the top three media fit for green advertising i.e. television, social networking websites and the websites. They also suggest that government and NGO doing the green advertising should go for the above mentioned Medias for effective persuasion. Bing Zhu found in his research (done in Shanghai) that there is a need for well planned and organized design is required to carry out a green campaign. He also found that credibility plays an important role when launching the green advertisement to influence consumers to buy green products (Zhu, 2013).

4) Environmental awareness- consumers with environmental awareness can measure the cost of use and the effect of it on the society and the environment as well (Babaogul and Ozgun, 2008). According to the study conducted by Aslan in Kafkas University on 400 students, it was found that students are aware of the harmful effects of the products on the environment and are aware of the green products. What is important for students are the features, how they are wrapped and packed and the after use cycle of the product (Aslan, 2007).

According to the survey by Aracioglu, the consumer buying behaviour is affected by an increase in the environmental awareness. This finding is supported by another research paper by Bostepe. According to his findings, there is a positive significant relation between consumer green buying behaviour and environmental awareness. As the environmental awareness increases, the consumer green buying behaviour also increases.

But there is an opposite view also to this claim. In one finding by Suki, he claimed that the awareness about the green products does not affect the buying decisions of consumers for green products (Suki, 2013). The findings of his paper do not validate the findings of D’Souza et al. (2006). Though the respondents have the knowledge about the green products and green issues, still this knowledge does not affect their buying behaviour. Contracting are the claims of Ishaswini and Dutta. According to their research done on Indian consumers’ awareness about green products and pro-environmental concerns are indicative of the buying behaviour of consumers. In their study, 98% of respondents are aware of eco-friendly products. The results also pointed out that consumers buy the products that are eco-friendly but are
A survey of Grail Research, 2009 on U.S. consumers shows that consumers who never bought green products perceived green products as too expensive and so don’t buy them. A year later survey reveals that price is the most important factor and it is the main reason also for not buying the green products. A positive significant relation is found between the price and green buying behaviour of consumers (Boztepe, 2012).

Belz and Peattie (2008) revealed that green marketing stressed on green consumers. These consumers would be eager to pay extra cost for the products that do not harm the environment. There are many consumers who would pay extra premium and decide to purchase green products. But the results of study by Rohit Nema stated that consumers are not willing to pay extra price for green products. The level of willingness exhibited by India consumers is low which suggests that India marketers should make strategies for cutting the cost (Nema, 2011).

Perceived product price is one of the factors impacting the consumers’ buying behaviour (D’Souza et al., 2007). He further added that hard core environmentalist does not see price before buying the green product and does not let prices determine their buying behaviour. Having a positive attitude towards green products and recycling is different from willingness to pay more for such products. There can be a buying behaviour where consumers support the green products and recycling but are not ready to pay extra cost (Hansla et al., 2008). There are studies which show where prices impact the consumer buying behaviour for green products and there are studies which contradict this view point. Unless and until discounts are given and promotions are stressed, prices will remain a hurdle (Gatersleben et al., 2002).

Companies should advertise their products after giving a critical thought to them. They should promote the utility, design and the functions of the product so as to avoid any misleading information (D. Yazdanifard, 2014). There is positive relationship between promotions and green buying behaviour of consumers (Morel and Kwakye, 2011). In another paper by Yazdanifard and Mercy, 2011 consumers are affected by the advertisement that shows
how much a company is committed towards protecting the environment. A study by J.S. Bagheri resulted in a positive attitude of consumers towards green promotions and their minds are affected by the promotions for green products (Bagheri, 2014). The result of this study also favours the study by Hajeqrari (2014) and Boztepe (2012).

In a study on 238 students by H.C. Purohit (2011), he concluded majority of 96% respondents agree that they will be more inclined towards those green promotions. Promotional campaigns that are directed to protect the environment are more preferable (Purohit, 2011). A study conducted by Ashoorvan, 63.2% of the respondents believed that in the buying process the effects of green promotion is high while for 36.8% of respondents it is medium (Ashoorvan, 2014). From the previous studies, it can be concluded that green promotions effect consumer buying behaviour in a positive fashion.

8) Demographics- Various researches in the past have established a relationship between demographics and green buying behaviour of consumers. It helps the green marketers to segment the market and cash the green behaviour of consumers. According to the study by Dimantopoulos and others in 2003, demographic variables were not sufficient to determine the profile of green consumers. But in the same study, it was found that women are more inclined towards the environment and they are more likely to show pro-environmental behaviours. Married ones display more pro-environmental behaviour while there is a negative relationship between pro-environmental behaviour and age (Dimantopoulos et al., 2003).

Demographic factors are one of the important factors affecting green purchasing behaviour of the consumers (Kollnuss & Agyeman, 2002). Hustad and Pessamier (1973) stated that for women to be more environmentally conscious, their education level has to be high. Environmental conscious consumers are better educated and young (Berkowitz & Lutterman, 1968) and (Bourgeois & Barnes, 1979). See Figure No. 2.

Ottman et al. (2006) stated that younger people are more adoptive towards new and innovative ideas rather than old people. Many studies clarified that there is a difference in behaviour of men and women where women are more positive than men towards green concepts (Tikka et al., 2000; Stern et al., 1993; Zelezny et al., 2000). Contradicting to above studies Chen and Chai (2010) said that demographic variables are less powerful then psychographic variables in determining green buying behaviour. There are contrasting views on how much the demographic variables affect green purchasing behaviour but there is no denying that they do affect the consumers’ purchase behaviour for green products.

VII. CONCLUSION

Known the India’s GDP increasing growth rate (Maheshwari, 2014), onset of globalization, liberalization and privatization, rapid changes in technology, changes in the wants of the humans has increased manifold (Boztepe, 2012). This increase in the needs of humans has resulted in the increased pollution levels and the depletion of our natural resources. But if the green marketing variables are used adequately to influence the consumers mind, the damage can be reduced to minimal levels. As there are enough evidences that all the green marketing variables effect consumers in a positive way towards the purchase of green products, the marketers should take a keen note of them in order to get the best marketing strategy.

It can be suggested that prices of the green products should be kept at an economical levels so that even an average income earner can also afford them. The biggest barrier in the purchase of green products is high prices. There is also a need to spread awareness about the labels and brands of eco-friendly products. It is required to make them aware of the eco-labels and eco-brands as they find it difficult to identify the eco-labels and eco-brands among other non green products. Environmental advertising should be done in such a way as not to disguise the consumers about the concept of green. The companies involved in “green washing” should be punished to give a message to the consumers that they can rely on the claims of the green companies as the “fake green companies” are taken at hand. The marketers also need to focus on the demographic profile of their consumers. Most of the marketers don’t consider it vital while making green marketing strategies. But the variation in age, income, gender and literacy creates a big difference for the unbeatable implementation of the green marketing strategy. So, it is of utmost importance to do a thorough investigation of the impact each factor has on consumers’ mind before going ahead with the planning of the marketing strategy.

REFERENCES


WEB REFERENCES


FIGURES

Figure no. 1: High Level of Purchase Impact

High level of purchase impact

- 66%: More likely to purchase
- 54%: No impact
- 29%: 21%: 15%: 9%

Energy Star Recycled logo USDA Certified Organic Fair Trade Certified

Source: *Natural Marketing Institute’s 2007 LOHAS Consumer Trends Database*


Figure no. 2: Schematic Diagram of the Integrated Conceptual Framework

DEPENDENT VARIABLE

Consumers’ Green Purchasing Behavior (Green Consumer Behavior Index)

MEDIATING VARIABLE

Demographic variables:
- Age
- Gender
- Income level
- Education level
- Ethnicity
- Occupation

INDEPENDENT VARIABLE

- Environmental Knowledge
- Altruism
- Environmental Awareness
- Environmental Concern and Attitude
- Belief about Product Safety for Use and Availability of Product Information and Product Availability
- Perceived Consumer Effectiveness
- Collectivism
- Transparency/Fairness on Trade Practices
  - Customer care
  - Product adulteration
  - Unfair pricing
  - Black marketing
  - Misleading Advertising
  - Deceptive Packaging

Source: *Kaufmann et al., 2012*. Amfiteatru Economic, Vol. XIV • No. 31 • February 2012.