A Study of Consumer Perception and Preferences about Green Products: Special Reference to Malwa Region of Punjab

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ABSTRACT

Green marketing is a phenomenon which is rapidly gaining importance in modern marketing. Today, the world requires new decisions and innovations which are environment friendly. This paper investigates consumer beliefs and attitude on environment protection and their purchasing behaviour of eco friendly products. This paper also focuses on the success of efforts put by marketers in bringing green brands awareness in consumer minds. It further reviews consumer behaviour and impact of marketing communication to identify how consumers are persuaded to opt for greener products. A well structured methodology has been adopted to collect primary and secondary data for the research. Suitable statistical tools have been followed for analysis. A questionnaire has been prepared to report results of this study. This paper identifies that consumers are not exposed enough to green products and suggests the greater use of marketing and brands to promote and sell products that are environment friendly and function effectively.

I. INTRODUCTION

Green marketing is the most latest and popular trend market which facilitated for the environment-friendly in individuals, animals and planet (Rajkumar 2012). Due to increase in climate change and global warming, the public concern for environmental problems has continuously increased over the past decades. The firms have slowly applied green marketing practices in their project as a part of social conscientious and they are demanding to reach the consumers with their green messages (Nagaraju and Tejaswini 2014). For instance, the firms remain to introduce different forms of green packing programmes through the recommendations of recyclable and reusable packages as the importance of green marketing has been increased as well as consumers are becoming more conscious towards their environmental approaches, desires and purchases. Therefore, this has led to increased motive of consumers to purchase environmental friendly products and services. A better understanding of consumers buying behaviour will support businesses to achieve more market applicable approach to maintain in the competitive market. Moreover, it also allows businesses to bring more consumers and shape their products or services according to their demands or change consumers behaviour towards their products or services (Agyeman 2014). This paper examined how consumer’s values/beliefs and attitudes as well as their exposure to influences and information, shape their behaviour and perception of product performance with a particular focus on the influential role of green marketing.

II. LITERATURE REVIEW

Green Marketing has been an important academic research topic since its inception. The concept of green marketing has been around at least since the first Earth Day in 1970 and later when the American Marketing Association organized workshop on Ecological Marketing in 1975. But the idea did not catch on until the 1980s, when rising public interest in the environment led to a demand for more green products and services. The evolution of green marketing involves three phases. First phase was termed as “Ecological” green marketing, and during this period all marketing activities were concerned to help environment problems and provide remedies for environmental problems. Second phase was “Environmental” green marketing and the focus shifted on clean technology that involved designing of innovative new products, which take care of pollution and waste issues. Third phase is “Sustainable” green marketing. It came into prominence in the late 1990s and early 2000. The concept of green marketing seems to take its foundations into the concept of traditional marketing itself (Polonsky, 1994; Charter et al, 1999). According to Prakash
(2002), the relationship between the marketing discipline, the public policy process and the natural environment is important. This relationship is described by many terms: environmental marketing (Coddington, 1993), ecological marketing (Fisk, 1974; Henion and Kinnear, 1976), green marketing (Peattie, 1995; Ottman, 1992), sustainable marketing (Fuller, 1999) and greener marketing (Charter and Polonsky, 1999). Task of marketing now is to walk on a tight rope to achieve the triple bottom line of PPP. The first substantial work on ecological marketing came into existence by Henion and Kinnear in 1976 (as quoted by Polonsky 1994). In their publications in 1976 Henion and Kinnear defined the ecological marketing as “the study of the positive and negative aspects of marketing activities on pollution, energy depletion and non-energy resource depletion (Henion and Kinnear quoted by Polonsky 1994, p2).” They further defined ecological marketing as “The implementation of marketing programs directed at the environmentally conscious market segment” (Henion 1976). The concept is further evolved to “The process of planning, implementing and controlling the development, pricing, promotion and distribution of products in a manner that satisfies the following criteria- Customer needs are met, Organizational goals are attained, And the processes are compatible with ecosystems” (Fuller 1999).

According to Ottman (1993) Green Marketing serves two key objectives-

- To develop products that incorporates consumer need for convenience, affordable prices and performance while having minimal impact on the environment
- To project an image of high quality, including environmental aspects, both in regards to product attributes and the manufacturer’s track record for environmental compliance. First consumer survey was conducted by Vandermerwe and Ollif (1990) stating that more then 92% European multinationals claimed to have changed their products in response to green concern. Green products introduction increased by more then double to 11.4% of all new household products in the USA between 1989 and 1990 and continued to rise to 13.4% in 1991. In spite of its growing popularity, the green marketing movement faced serious setbacks in the late 1980s (Peattie and Crane 2005). A 2001 survey conducted by Roper indicates that during the 1990’s approximately 2/3 of all consumers believed that environmental protection and economic development can go hand in hand. While perception is important, actual behavior is crucial to market success. A report (conducted by Mintel 1995) showed only a very slight increase in green consumer since 1990 and a significant gap between concern and actual purchasing. The setback came because many industries made false claims about their products and services. For instance, the environmental organization CorpWatch, which issues annually a list of the top ten “greenwashing” companies, included BP Amoco for advertising its “Plug in the Sun” program, in which the company installed solar panels in two hundred gas stations, while continuing to aggressively lobby to drill for oil in the Arctic National Wildlife Refuge. The media came up with the term “Greenwashing” to describe cases where organizations misrepresented themselves as environmentally responsible. To put it this way- “I'm skeptical sometimes because [a product] will have a green logo but no explanation as to how it is green. This leads me to think they just slapped a sucker on... as a consumer, you can't always believe what you are told.” (Audray Gray, 2009). Without environmental labeling standards, consumers could not tell which products and services were truly beneficial. Consumers ended up paying extra for misrepresented products. So In 1992, to prevent the further deception, the Federal Trade Commission (FTC) stepped in and created guidelines for the use of environmental marketing claims such as “recyclable,” “biodegradable,” “compostable,” and the like. The FTC and the U.S. Environmental Protection Agency defined “environmentally preferable products” as products and services that have a lesser or reduced effect on human health and the environment when compared to other products and services that serve the same purpose. The label “environmentally preferable” considers how raw materials are acquired, produced, manufactured, packaged, distributed, reused, operated, maintained, or how the product or service is disposed. These guidelines helped the customers to identify the compatible products but still the uptake of Green Products is very less throughout leading us to “Green Myopia”.

Attention towards this phenomenon is drawn by Ottman, Stanford and Hartman (2006) where they defined it as “Green marketing must satisfy two objectives:

- Improved environmental quality
- Customer satisfaction.

Misjudging either or overemphasizing the former at the expense of the latter can be termed “green marketing myopia.” Miller (2008) claims that green marketing is a concept that, when implemented effectively, can improve the customer relationships, image in the market and ability to reach the most targeted audience, while helping grow the bottom line. Various views have been developed in order to implement a green marketing strategy. Glorieux-Boutonnet (2004) argues that the concept tries to mix two concepts which have diverging goals. According to her the marketing focuses on seducing consumers and generating profitable sales rapidly and they take the environment into consideration as far as it helps achieving that goal. Polonsky (1994) however noticed that unfortunately a majority of people believes that green marketing refers solely to the promotion or advertising of products with environmental characteristics. This also explains why the concept is often linked with terms like phosphate free, recyclable, refillable, ozone friendly... He also claims that the green marketing incorporates a broad range of activities, including product modification, changes to the...
production, packaging changes, as well as advertising. A study by Nancy E. Furlow (2010) described the phenomena of Green washing in an elaborated way and also gave the managerial implications. According to that article early 1990s saw a rapid rise in products touting environmental claims. The "green" phenomenon of the 90's disappeared as rapidly as it appeared, but today many manufacturers are again revisiting the value of promoting their products, or even themselves, as being green to attract a growing environmentally aware segment. In attracting a green audience, companies often use claims that sound environmentally friendly, but are actually vague, and at times may be false. As a result, "Greenwashing" has become commonplace in market. Green washing is the dissemination of false or incomplete information by an organization to present an environmentally responsible public image. The proliferation of environmental disinformation, or greenwashing, has become so common and is of such a concern, that EnviroMedia developed the Greenwashing Index to monitor environmental claims used by manufacturers (Miller, 2008). On the web site, anyone can post ads deemed to be misleading and rate how the deception compares with other advertisements. Greenwashingindex.com is the result of the incredible growth of green claims in the past few years. The site allows consumers an outlet to express concerns and raise questions about these environmental claims. By giving the public a channel to judge these messages, consumers have put marketers on guard that environmental claims will not go unchecked. When pointing to green-washing, one of the most cited examples is Ford MotorCompany's "It Isn't Easy Being Green" campaign for the hybrid Escape SUV. While touting itself as being environmentally friendly, Ford's cars were considered the worst carbon emitters and had the worst fuel efficiency trend of any major automaker according to Union of Concerned Scientists (Friedman & Mackenzie, 2004). Since its early and much-criticized entry into the hybrid market, Ford has backed away from promoting itself as the green car choice. General Electric has also been cited as a green-washer. The company's "EcoImagination" campaign highlights the work the company is doing in the environmental arena, but GE's environmental practices have been largely criticized. In 2000, GE went as far as the Supreme Court to fight the new clean air EPA requirements. Moreover, GE is still fighting an EPA-ordered clean up of the Hudson River where it dumped PCBs between 1940 to 1977, not to mention the other dozen or so superfund sites it is still fighting (Source Watch, 2008). In an industry considered to be anything but environmentally friendly, petroleum giant BP has decided to label itself as the green oil company. Admittedly, the company is not as "brown" as other oil giants, but by claiming to be earth conscious, BP has set itself up to be widely criticized. Since 2000, BP has used the tag line "Beyond Petroleum" as part of its green campaign. The overhaul of BP's image has been celebrated by some as a rebranding success and decried by others as a perfect example of greenwashing (Solman, 2008). BP's less than green activities include lobbying efforts to open restricted spaces such as the Arctic National Wildlife Refuge to drilling and illegally dumping hazardous waste from the Endicott Island oil field between 1993 and 1995. The company was even named as one of the 10 worst companies in 2005 by Multinational Monitor. Most recently, BP was forced to shut down operations in 2006 in Prudhoe Bay as the result of a ruptured decayed pipeline. Even with its questionable environmental track record, BP has undoubtedly been successful in painting itself green. BP ranked highest among energy companies for being green in the "ImagePower Green Brands Survey" conducted last year and 49 percent of respondents felt that BP had become greener in the past five years (Solman, 2008). The multitude of vague and misleading environmental claims has caused consumers to question corporate honesty, and cry greenwashing at every turn. The concern over greenwashing is not only that it misleads consumers, but also that if unscrupulous marketers continue to claim to be environmentally friendly, then companies true to their environmental mission lose their competitiveness. In addition, overuse and misuse of the "green" claims can saturate the market to the point that the greenness of the product may become meaningless to the consumer (Zimmer et. al, 1994). Another reason why consumers may be suspicious of green advertising claims is that the scientific knowledge required to understand many environmental issues is often complex and subject to change, thereby making it difficult for the general public to comprehend. In addition, comparisons made between products are frequently limited to a single environmental benefit, making the claim incomplete and misleading (for example paper vs. plastic). Whole Foods is under attack for this very reason. The Environmental Affairs Council filed action last year with the Federal Trade Commission over the grocery chain's claim of greenness for using only 100% recycled paper bags (Enviros to FTC, 2008). The implications of greenwashing are wide spread. Consumers may become confused about which products actually do help the environment. Because of increased consumer skepticism, legitimate attempts by companies to become less environmentally harmful will lose any competitive edge they might have gained. Finally, there will be fewer rewards and therefore less motivation for companies to make environmentally helpful products, as consumers will "discount" all environmental marketing claims. Therefore, in the end, inaccurate environmental marketing will not only hurt consumers and firms, but it will also harm our environment (Polansky, et. al, 1998). If the consumer finds the claim to be unreliable, they are likely to disregard all environmental claims, thereby avoiding any product that may in fact be better for the environment (Mayer, et. al, 1993). The decision to use environmental claims in marketing communications is a serious one. Environmental claims must be honest, sincere and a reflection of the organization's mission. The role of a sustainability officer has become more commonplace as research indicates that consumers today equate environmental behavior to a corporation's social responsibility track record (Frazier, 2008). Case in point, Wal-Mart has come out of the shadows about its steps to become environmental, and, much like other companies, has named a "sustainability officer" to oversee environmental practices of the company. Here we can say that a plethora of literature is coming on explaining the concept of Green Marketing and various phenomena related to the concept. Still there is a lack of proper perceptive on consumer behavior towards their response to Green products.
III. CONSUMER BELIEFS AND BEHAVIOURS

Hoyer and MacInnis (2004) state that consumers’ values and beliefs need to be considered when examining the influences that affect purchasing decisions. Values are enduring beliefs that a given behaviour is desirable or good and include valuing the environment. Environmental values play a primary role in proenvironmental behaviour: values affect people’s beliefs, which then have influences on personal norms that lead to consumers’ pro-environmental behaviours (Reser and Bentupperbaumer, 2005; Stern, 2000). Similarly, Ajzen’s (1991) Theory of Planned Behavior shows that (environmental) beliefs form attitudes towards behaviour, which is then translated into intention of behaviour. The Global Environmental Survey (GOES) finds a gradual intergenerational value shift in the post-war generation towards post-materialist priorities, likely to result in more pro-environmental behaviour (Bennulf and Holmberg, 1990; Betz, 1990; Hoffmann-Martinot, 1991; Inglehart, 1990). So, although pro-environmental values do not guarantee proenvironmental behaviour, it is likely that pro-environmental values lead to proenvironmental behaviour. However, an individual concerned about the environment does not necessarily behave in a green way in general, or in their purchasing. This is known as the valueaction gap. Kollmuss and Agyeman (2002) explored a range of analytical frameworks and external and internal factors that promote pro-environmental behaviour and found conflicting and competing factors related to consumers’ daily decisions. They concluded that no single definitive model adequately explains the gap between environmental knowledge and pro-environmental behaviour. A recent study finds that people who are environmentally conscious do not necessarily behave pro-environmentally: for example, people might throw rubbish away when most people around them do so (reactive process, as opposed to intentional decision making; Ohtomo and Hirose, 2007).

Consumer Exposure to Product Marketing Communication: The average consumer has less opportunity to form an attitude about a green product than about a main stream product, unless they have made a special effort to get to know the green product, as manufacturers of environmentally improved products often make little or no green claims in their advertising (Rand Corporation, 2004). Aspirational and associative reference groups have a strong influence on general consumption (Dittmar, 1992; Hoyer and MacInnis, 2004).

Pooley and O’Connor (2000) argue that providing information on environmental issues does not necessarily foster pro-environmental attitudes. Their research suggests that the key to environmental education is the affective domain. It is reasonable to assume that advertising green products using emotional content would be more successful. Advertising works well when it tries to appeal to those values that drive consumer decision processes (WFA et al., 2002). As consumers often start from a low information base on sustainable consumption, their internal search may fail to supply the information necessary for decision making. If an external search is necessary, this involves high effort (Hoyer and MacInnis, 2004).

IV. RESEARCH OBJECTIVES

The main objectives of this paper were to investigate the-

1. Consumer preferences related to green products.
2. To measure the green values of the consumer.
3. The influence of marketing efforts put by marketers with reference to Consumers.
4. To investigate the level of awareness of consumers about green products and practices.
5. To identify the brands, consumer associates with green marketing practices
6. To know the factors that influences the consumers to buy green products
7. To understand the issues and challenges of green marketing practices.

V. RESEARCH METHODOLOGY

This is a consumer level analysis. Questionnaire was prepared to collect information from consumers. Information collected through consumer surveys is utilised for further analysis and verification of hypothesis. 50 consumers were asked to fill the questionnaire. The respondents were selected as per convenience and were asked to return the filled questionnaire within a week.

HYPOTHESIS: Based on literature review, following hypothesis were generated to be verified with statistical analysis.

H₀₁: there is no significant difference in buying pattern of green products with respect to price of the product.
H₀₂: there is no significant difference in buying intentions of green products with respect to academic qualifications of consumer.
H₀₃: there is no significant difference in preference of green products with respect to gender of the consumer.
H₀₄: there is no significant difference in buying intentions of green products with respect to income of consumer.
VI. FINDINGS AND DISCUSSION

Awareness

Respondents surveyed were aware about the green products and practices. However most of the respondents were not aware about the initiatives taken for promoting green marketing practices by central/state government, NGOs and business houses in India suggesting need for better marketing communication from these entities and have to strongly communicate to the customers about their green initiatives. Newspaper and Television were found to be the most known sources of information regarding green products to the consumers.

Consumer perception about green products and practices

As revealed from the mean score (3.57), respondents agreed that organizations with green claims are really concerned about the environment. This implies that consumers are not skeptic about the green claims of the organizations. Consumers strongly agreed that the environmental degradation has risen in the last decade. Their mean score was found to be 4.38 on a scale of 5. Also, consumers strongly agreed to the fact that the environment will be degraded more in the next five years with a mean score of 4.15 on a scale of 5. All consumers have rated the seriousness on higher side for various factors that are considered as environmental concern. Consumers’ agreement regarding environmental degradation was high and may prefer green products over conventional products to protect the environment. Marketers can come up with new green products and communicate the benefits to the consumers. Respondents have rated the seriousness of various environmental concerns as high. The responses have marketing implications in terms of designing marketing communication campaigns, as higher mean score representing higher concern regarding the same amongst consumers and thus could be used while promoting green products. Consumers were strongly agreeing for the importance of green marketing practices and have rated “Manufacturing Eco-Friendly Product” as the most important green marketing practice followed by “Educating customers to use products in environmental friendly manner” with a mean score of 4.67 and 4.64 respectively. All the green marketing practices were found to be considered as important by the consumers with none of the green marketing practice having scored less than 4.10 (see Table 1). This suggests that consumers are concerned about the state of environment and expect the organizations to employ green practices towards the protection of environment.

Table1: Consumer perception about importance of green marketing practices

<table>
<thead>
<tr>
<th>Green Marketing Practices</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
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<tbody>
<tr>
<td>Manufacturing eco friendly product</td>
<td>4.67</td>
<td>.658</td>
</tr>
<tr>
<td>Educating customers to use products in environmental friendly manner</td>
<td>4.64</td>
<td>.733</td>
</tr>
<tr>
<td>Manufacturing products through eco friendly methods</td>
<td>4.53</td>
<td>.650</td>
</tr>
<tr>
<td>Modify products to make them environment friendly</td>
<td>4.36</td>
<td>.807</td>
</tr>
<tr>
<td>Modifying product packaging to suit environment</td>
<td>4.30</td>
<td>.841</td>
</tr>
<tr>
<td>Promoting products through eco friendly modes of communication</td>
<td>4.20</td>
<td>.844</td>
</tr>
<tr>
<td>Using green supply chain for procurement and distribution</td>
<td>4.11</td>
<td>.865</td>
</tr>
<tr>
<td>Branding product associating with green marketing practices</td>
<td>4.10</td>
<td>.839</td>
</tr>
</tbody>
</table>

Brand Association

Following brands were recalled as being associated with Green Marketing Practices including Bajaj CFL, Suzlon Windmills, Indian Railways (paperless ticket), Nokia, Philips CFL, Nerolac Paints, Exide Green Batteries, etc. It was found that consumers were not able to recall the brand without assistance. This has marketing implication in terms of the requirement of extensive communication by the marketers to make the consumers aware about the green brands. Around 75% of the consumers have shown willingness to buy green products if it is available in the product category often purchased. Their mean score was found to be 3.92 on a scale of 5. This implies that marketers should make the green products available to the consumers for their consumption as customers have shown willingness to buy green products if it is available. Around 56% of the consumers were found to be “Sprouts”, i.e. people who can buy green products from time to time but are not involved in any environmental activities, whereas, around 22% of the...
consumers were found to be “True Blue Greens”, i.e. people who buy only green products, spend time and effort in environmental activities such as recycling and believe that an individual can do much to promote the environment. Around 12 % of the consumers were found to be “Green Back Greens”, i.e. they are able to buy green products but don’t have the time and energy for environmental activities and do not want to change their lifestyles to promote the environment. It was found that the percentage of people who buy only green products is very low (22%). Thus signifying need for better promotions

Consumers Action
Consumers felt that green products are priced higher than conventional products (with mean score of 3.83. They have revealed that they prefer the green products over conventional products while purchasing (with mean score of 3.78). Consumers have also revealed that they consider the ill effect of the manufacturing and consumption on natural environment and the price of the green product affects their purchase behaviour with mean score of 3.59 and 3.58 respectively. As consumers consider the ill effects of manufacturing and consumption on natural environment it can be said that following green marketing practices not only lead to social good but also make good business sense. When asked about the factors that affect the purchase of green products, consumers rated “awareness about green product” first with the mean score of 4.31, followed by “availability of green product”, and “product price” at second and third position. This implies that marketers have to extensively market and communicate the availability of green products to the consumers.

Results of Hypothesis Testing

- With respect to the first hypothesis (H01), it was found that there is no significant difference in green consumer values on the basis of price of product; overall green value of consumers was found to be 3.88 and p-value for overall green consumer value was found to be 0.675 which states that null hypothesis is accepted and it can be inferred that gender of the consumers does not affect their green values.
- With respect to second and third hypothesis (H02 and H03), no significant difference was found in the preference of green products, and purchase intention for green products with respect of academic qualification of consumer and gender of consumers, with p-value of 0.322, and 0.727 respectively, failing to reject the null hypothesis and stating that qualification of consumers does not affect their preference and purchase intention towards the green products.
- With respect to fourth hypothesis (H04), a moderate positive correlation was found between income of consumer and purchase intention for green products with Pearson Correlation Coefficient coming to as 0.445. It can be inferred that purchase intention of green product is dependent on the income of the consumers.

VII. CONCLUSION

Consumers’ level of awareness about green products found to be high but at the same time consumers are not aware about green initiatives undertaken by various government and non-government agencies signifying need for more efforts from organizations in this regard. Newspaper remains leading source of information for most of the respondents and should be utilized more for reaching out to the consumers regarding green products and practices. Responses were on moderate positive level and we can conclude that consumers are not skeptic about green claims of the organizations and consumers are concerned about the present and future state of environment signifying need for green products and practices. Marketers can come up with new green products and communicate the benefits to the consumers. Due to increased awareness and concern consumer may prefer green products over conventional products to protect the environment. Concerns were more directed towards depletion of Ozone and Global Warming. The consumers are concerned about the state of environment and expect the organizations to employ green practices towards the protection of environment. The results have implication for durable manufacturers especially to practice green marketing. The marketing communication regarding green practices need to focus more on the message. Advertising appeals using green products and practices are likely to move emotions and result in persuasion. It is important for markets to be in top of mind recall of consumers to gain maximum from their green brand positioning. Constant and continuous communication from the organizations’ side is required to make an impact and create a distinct green positioning. Consumers have shown positive attitude towards green products at the same time they are concerned with the availability and price of such products. This implies that Marketers should make the green products available to the consumers for their consumption as customers have shown willingness to buy green products if it is available. As consumers consider the ill effects of manufacturing and consumption on natural environment, they may purchase the green product if marketers can make them aware about the benefits of the green products (which consumers perceive as priced higher) as compared to that of traditional products. It was found that the percentage of people who buy only green products is very low and marketers need to take this as an opportunity to build their product portfolios and promote themselves as green. The study has implications for marketers as well as consumers and makes a good case for start of an era of green marketing in India. The study since focused on a limited geographical area has limited generalizability but provides good insights regarding behavior of consumers towards green products. Future research
could focus on psychographic segmentation of consumers in terms of assessing their green values and preferences. The study can be replicated at a larger scale to get more insights into the behavior of consumers and understand more about green phenomenon.

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