

A Study of the Impact of Green Marketing Practices on Consumer Buying Behaviour in Kolkata

Rahul Argha Sen¹

¹ M.Com Scholar, Post Graduate Department of Commerce
St. Xavier's College Kolkata, University of Calcutta, INDIA

Abstract: With the emergence of a large number of environmental problems all over the world, there arises a need to preserve and protect the earth's natural environment and finite resources. Both the marketers and the consumers are nowadays focusing on green products and services. Companies are adopting green marketing and are producing green products that have less harmful effects on the environment, than the conventional products. Consumers are becoming more and more aware of the environmental problems and are actively trying to reduce their impact on the environment by purchasing green products and moving towards a greener lifestyle. This research study tries to determine whether the consumer purchasing decisions in Kolkata are influenced by the green marketing practices undertaken by the companies. A sample of 100 respondents was selected in Kolkata and a questionnaire was used to collect the primary data. Descriptive Statistics (Mean, Standard Deviation and Percentile) and independent t-test with the help of SPSS version 20.0 have been used in this study for analysing the primary data. The results of the study highlight that the consumer purchasing decisions in Kolkata are not influenced by the green marketing practices undertaken by the companies. However, the consumers are willing to pay a premium price for the 'green' products, if these eco-friendly products provide an extra value to them. Thus, companies can command a higher price if they can enhance the product's performance and offer products that provide an extra value to the consumers.

Keyword: Green marketing, green products, consumer purchasing decisions

1. INTRODUCTION

The key challenge for companies and customers today is to preserve and protect the earth's natural environment and finite resources. Production and consumption of goods all over the world has led to the emergence of a large number of environmental problems. As a result, companies are focusing on green marketing and are producing eco-friendly or green products that have less harmful effects on the environment, than the conventional products. Moreover, consumers are becoming more and more aware of the environmental problems and are actively trying to reduce their impact on the environment by purchasing green products and moving towards a greener lifestyle. The term 'green' has become the major element driving millions of consumers throughout the world, to find out how they live a more environmentally friendly life. The needs of the consumers are evolving and brand loyalty is being continuously redefined. Companies nowadays have to integrate appropriate green strategies into their operational activities, product development processes, and marketing activities to achieve a competitive advantage in the saturated markets. Thus, we see that both the marketers and the consumers are nowadays focusing on green products and services. Although in the short run, a company may find it expensive to shift towards the "green" approach, in the long run, it will definitely prove to be advantageous for the company, in terms of cost also.

Green marketing undertaken by companies nowadays refers to the process of selling products and/or services on the basis of their environmental and ecological benefits. Such a product or service may itself be an environmentally friendly

product or service, or it may be produced and/or packaged in a manner which is considered to be environmentally friendly. We can assume that consumers will view the "greenness" of a product or service's as a benefit and so their buying decisions will be based on this aspect. However, the consumers may not be willing to pay more for green products as compared to the less 'green' alternative products. The consumers are generally sceptical of the 'green' claims of the companies. If the 'green' claims are proved to be false or if the companies make over exaggerated claims, the image and brand name of the companies are at stake. Thus, a case of 'green washing' arises when a company claims its product or service to be green, and then the claim is proved to be false.

2. LITERATURE REVIEW

Green Marketing

According to M. J. Polonsky and P. J. Rosenberger (2011), environmental marketing, more popularly known as green marketing or sustainable marketing is an effort by a company to design, promote, price and distribute products in a manner which promotes environmental protection. Green marketing has been defined by them as, "All activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment". Green marketing today is a vital component of marketing research due to the pressure on firms to present eco-friendly behaviour and due to the increasing media exposure. Proper adoption of product packaging and presentation of these improvements to the public have promoted the growth of green marketing over the years. Environmental or green marketing practices as a result of compulsion due to legislative pressures and pressures of environmental groups have changed to genuine efforts to behave in an eco-responsible manner and improve sustainable marketing plans (Polonsky and Rosenberger, 2001).

Green Consumers:

Vernekar and Wadhwa (2011) define the green consumer as a person "who adopts environmentally-friendly behaviours, and/or who purchases green products over the standard alternatives". According to Balderjahn (1988), such green consumers are the consumers who have positive attitudes towards the environment and are more willing to purchase green products.

The impact of green branding on consumer buying patterns

According to Pickett *et al.* (1995), if the communications of green branded attributes are not properly undertaken, environmentally sustainable products will tend to be commercially unsuccessful. Similarly, W. Coddington (1993) has suggested that green positioning is an important factor that leads to the success of green branding strategies. However, according to Schlegelmilch *et al.* (1996), the perceived trade-off between functional performance of the brand and its effects on the environment leads to negative consumer responses and reactions. But, Hartmann *et al.* (2005), state that emotional brand benefits are the significant factor motivating consumers to change actual purchase behaviour to buy eco-friendly products.

The impact of green advertising on consumer buying patterns

According to D'souza (2005), advertising terms such as "environmentally friendly, recyclable, biodegradable, and ozone safe" are often seen regularly in green advertisements and consumers are seldom exposed to such messages effectively. However, Chan (2004) has stated that, customers seek more authenticated and concrete product information from these advertisements to guide them in their purchasing decisions. Thus, marketers should publicize environmental information effectively. Moreover, Hawkins *et al.* (1998) stated that emotional content in advertisements is required to increase customers' attention towards these advertisements. Similarly, according to Mendleson (1994), in order to achieve the goal of changing the consumers buying behaviour, marketers and organizations should focus on the ecological knowledge in their organizations as a whole, in their product offerings, and in their advertising campaigns. This will help to change the consumers purchasing behaviour in the desired manner. Companies nowadays have to shift to the 'green' approach and have to adopt green marketing activities so as to ensure sustainability of these companies. The extensive literature review conducted above highlights that a lot of gap exists on this topic, especially in India. Moreover, not much research study has been conducted in India, as far as the impact of green marketing on consumer behaviour is concerned. This research paper tries to determine the impact of green marketing on consumer behaviour in Kolkata.

3. OBJECTIVE OF THE STUDY

As companies today are integrating appropriate green strategies into their marketing activities in order to achieve a competitive advantage in the saturated markets, there arises a need to understand whether the consumer purchasing decision are influenced by the green marketing practices undertaken by the companies. Moreover, there arises a need to understand the challenges faced by companies nowadays while pursuing green marketing activities and there also arises a need to develop a green marketing mix for the consumers as a whole. This research study conducted in Kolkata tries to determine the following:

- Whether the consumer purchasing decisions in Kolkata are influenced by the green marketing practices undertaken by the companies.
- A proper green marketing mix for the consumers as a whole.
- The challenges faced by companies nowadays while pursuing green marketing activities.

4. HYPOTHESIS FORMULATION

The null hypothesis (H₀) for this research study is stated as:

H₀: The consumer purchasing decisions in Kolkata are influenced by the green marketing practices undertaken by the companies.

The alternative hypothesis (H₁) is stated as:

H₁: The consumer purchasing decisions in Kolkata are not influenced by the green marketing practices undertaken by the companies.

5. RESEARCH METHODOLOGY

An exploratory research design and a quantitative research approach have been undertaken in this research study. Secondary data were initially collected from books and the internet, and then a well structured questionnaire was prepared for collecting the required primary data. There were two sections in the questionnaire which related to the characteristics of the respondents and the impact of the green marketing activities on their buying behaviour. A number of open ended and close ended questions along with a Likert Scale have been incorporated into the questionnaire. A survey was conducted in the different areas in Kolkata, and the sample of respondents included consumers in various retail stores in Kolkata such as Big Bazaar, Spencers, Pantaloons, Westside, Shoppers Stop, etc. A convenience sampling method of non-probability sampling has been adopted in this research study and the samples have been drawn from 100 respondents, in the various retail stores in Kolkata. Personal interview as the contact method has been incorporated in this study. The field survey was conducted from 10/02/2014 to 06/04/2014. A Likert Scale ranging from 1 to 5 has been incorporated in this study, where 1 stands for strongly agree and 5 stands for strongly disagree. Descriptive Statistics (Mean, Standard Deviation and Percentile) and independent t-test with the help of SPSS version 20.0 have been used in this study for analysing the primary data, which is collected with the help of the self-administered questionnaire.

6. DATA ANALYSIS AND INTERPRETATION

The following table (Table 1) highlights the number of responses generated towards age, gender and where do the respondents stay.

TABLE 1: Total Responses Generated

		Total Responses
Age	16-30 years	38
	31-50 years	34
	51 and above	28

Gender	Male	56
	Female	44
Where do you stay?	North Kolkata	19
	South Kolkata	31
	East Kolkata	9
	West Kolkata	15
	Central Kolkata	26

Interpretation: From table 1 we see that the majority of respondents fall in the age group of 16 to 30 years, and are males. Moreover, the majority of the respondents are from South Kolkata and Central Kolkata.

Are the consumer purchasing decisions in Kolkata are influenced by the green marketing practices undertaken by the companies:

Table 2 below highlights the mean and standard deviations of the responses generated towards the following issues:

- Whether the respondents feel that companies should undertake green marketing activities
- Whether the respondents are concerned about the companies polluting the environment in which they operates
- Whether the respondents feel that companies should abide by the environmental laws present in the country
- Whether the respondents are willing to pay an extra price for the ‘green’ products
- Whether the respondents purchase behaviour is affected by the green marketing activities of the companies
- Whether the respondents are willing to repurchase the ‘green’ products

TABLE 2: Descriptive Statistics

		Undertake the green marketing activities	Concern about pollution	Abide by the laws	Pay an extra price	Purchase Behaviour	Repurchase the ‘green’ product
N	Valid	100	100	100	100	100	100
	Missing	0	0	0	0	0	0
Mean		2.3200	3.2800	2.2600	3.4100	2.9100	2.7800
Std.Dev		1.08901	0.83924	0.9831	0.9816	1.0166	1.4209
Range		4.00	4.00	4.00	4.00	4.00	4.00
Minimum		1.00	1.00	1.00	1.00	1.00	1.00
Maximum		5.00	5.00	5.00	5.00	5.00	5.00

TABLE 3: Undertake the Green Marketing Activities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	21	21.0	21.0	21.0
	2.00	29	29.0	29.0	50.0
	3.00	34	34.0	34.0	84.0
	4.00	11	11.0	11.0	95.0
	5.00	5	5.0	5.0	100.0
	Total	100	100.0	100.0	

Table 3 above highlights that 50% of the total number of respondents agree, or strongly agree that the companies should undertake green marketing activities.

TABLE 4: Concerns about Environmental Pollution

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	2	2.0	2.0	2.0
	2.00	11	11.0	11.0	13.0
	3.00	56	56.0	56.0	69.0
	4.00	22	22.0	22.0	91.0
	5.00	9	9.0	9.0	100.0
	Total	100	100.0	100.0	

Table 4 above shows us that the majority of the people i.e.56% are neutral about the companies polluting the environment in which they operate.

TABLE 5: Abide by the Laws

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	24	24.0	24.0	24.0
	2.00	28	28.0	28.0	52.0
	3.00	41	41.0	41.0	93.0
	4.00	6	6.0	6.0	99.0
	5.00	1	1.0	1.0	100.0
	Total	100	100.0	100.0	

Table 5 above highlights that the majority of the respondents feel that the companies should abide by the environmental laws.

TABLE 6: Pay an Extra Price

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	6	6.0	6.0	6.0
	2.00	20	20.0	20.0	26.0
	3.00	31	31.0	31.0	57.0
	4.00	30	30.0	30.0	87.0
	5.00	13	13.0	13.0	100.0
	Total		100.0	100.0	

Table 6 above shows that the majority buyers are not willing to pay an extra price for the 'green' products offered by the companies.

TABLE 7: Purchase Behaviour

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	21	21.0	21.0	21.0
	2.00	19	19.0	19.0	40.0
	3.00	32	32.0	32.0	72.0
	4.00	15	15.0	15.0	87.0
	5.00	13	13.0	13.0	100.0
	Total	100	100.0	100.0	

Table 7 above highlights that the purchase decisions of 60% of the respondents are not affected by the green marketing activities undertaken by the companies, and the purchase decisions of only 40% of the respondents are affected by the green marketing activities undertaken by the companies.

TABLE 8: Repurchase the 'Green' Product

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	21	21.0	21.0	21.0
	2.00	23	23.0	23.0	44.0
	3.00	25	25.0	25.0	69.0
	4.00	20	20.0	20.0	89.0
	5.00	11	11.0	11.0	100.0
	Total		100.0	100.0	

Table 8 above highlights that 44% of the consumers prefer to repurchase the 'green' products, while 56% are not willing to repurchase such 'green' products.

TABLE 9: T Test (One- Sample Statistics)

	N	Mean	Standard Deviation	Std. Error Mean
Purchase Behaviour	100	2.91	1.0166	0.10166
Pay an extra price	100	3.41	0.9816	0.09816

TABLE 10: One- Sample Statistics (Test Value = 0)

	t Lower	df Upper	Sig.(2 tailed) Lower	Mean Difference		95% Confidence Interval of the difference Upper
				Upper	Lower	
Purchase Behaviour	14.684	99	0.00	2.91	2.70659	3.11329
Extra Price	22.864	99	0.00	3.41	3.21362	3.60628

Table 10 above highlights that the value of the test is significant, i.e., $p < 0.05$. So, if the null hypothesis were true, there would be a low chance of obtaining the required results. Hence we reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1). We conclude that the consumer purchasing decisions in Kolkata are not influenced by the green marketing practices undertaken by the companies.

Green Marketing Mix:

When new innovations are developed by companies such as eco friendly products, the companies gain entry into new markets, they enhance their total market shares, and they also increase their profits. Just as we have the conventional 4Ps of the marketing mix i.e., product, price, place and promotion, we have the 4Ps of green marketing as well. However, they are slightly different. The 4Ps of the green marketing mix are as follows:

- **Product:** While developing the green products, companies must ensure that they reduce the pollution and overall resource consumption and they must focus on increasing the conservation of scarce natural resources.
- **Price:** Companies must offer 'green' products that provide an extra value to the consumers as the majority of the consumers will only pay an extra amount of money if they perceive that there exists an extra product value. This value may be due to certain aspects like better visual appeal, better functions, improved performance, better design, or better taste. The companies must always try to take all these aspects into account while charging a premium price for their 'green' products.
- **Promotion:** The companies must focus on developing advertisements that promote a greener and eco-friendly lifestyle by highlighting a product or service and advertisements that depicts a positive corporate image of

environmental responsibility. Moreover, advertisements that highlight a relationship between the 'green' product and the environment as a whole also fall under the promotion element of the green marketing mix.

- **Place:** The companies must ensure that their 'green' products are available at the stores. Unavailability of the product during peak demand periods may become the worst enemy of the company. Moreover, the fact that very few people will go out of their way to buy such 'green' products must also be taken into consideration by the companies offering such 'green' products in the market.

The challenges faced by companies nowadays while pursuing green marketing activities:

Although companies are shifting towards green marketing activities, a number of obstacles have to be crossed in order to ensure that the companies achieve competitive advantage in the markets. Firstly, the companies have to invest a lot of money in R&D activities as they have to adopt new technology and integrate appropriate green strategies into their product development processes. Sometimes companies have to use proper water treatment technologies which are quite costly.

Secondly, the companies must use renewable and recyclable materials to produce their 'green' products. These materials are usually costly. Thirdly, the consumers may not willing to pay a premium price for these products. So the companies must try to offer products with added value to the consumers, in order to satisfy them. Lastly, many people may not be aware of such products and their uses. So the companies must undertake appropriate promotional strategies and must also ensure that their products are available in the markets.

7. FINDINGS

Green marketing is the new concept being adopted all over the world. In order to preserve and protect the earth's natural environment and finite resources, both the marketers and the consumers are nowadays focusing on green products and services. This research study helps to highlight that the consumer purchasing decisions in Kolkata are not influenced by the green marketing practices undertaken by the companies. Consumers agree to the fact that the companies must undertake green marketing activities, but they are neutral about the companies polluting the environment in which they operate. However, such consumers also feel that the companies should abide by the environmental laws set in the country.

Moreover, the majority of the buyers are not willing to pay an extra amount for the green products offered in the market and they are not affected by the green marketing activities undertaken by the companies. Furthermore, the majority of the consumers are not willing to repurchase the 'green' products again from the market. In order to achieve competitive advantage in the market, companies must utilise the 4Ps of the green marketing mix appropriately and they must overcome the challenges of integrating appropriate green strategies into their operational activities, product development processes, and marketing activities.

8. CONCLUSION

Green marketing is still in its infancy in India and more research needs to be undertaken on different aspects of green marketing to explore its potential to the maximum possible extent. When companies adopt green marketing activities, they should ensure that the economic aspect of marketing is not neglected. Thorough understanding of the implications of green marketing activities must be undertaken by the companies so as to ensure that they achieve competitive advantage in the markets.

The companies must keep in mind that the consumers are very much concerned about the environmental issues cropping up in the country and they are very much willing to pay a premium price for the 'green' products, if these eco-friendly products provide an extra value to the consumers. Companies can command a higher price if they can enhance the product's performance and offer extra product value by providing better visual appeal, better functions, improved performance, better design, or better taste. Thus, companies must try to locate these opportunities and must take advantage of them.

REFERENCES

1. Polonsky, M. J. & Rosenberger, P. J. (2001). Reevaluating green marketing: a strategic approach. *Business Horizons*, 44(5), pp 21-30.
2. Polonsky, M. J. (2011). Transformative green marketing: Impediments and opportunities. *Journal of Business Research*, 64(12), pp 1311-1319.
3. Vernekar, S.S. and Wadhwa, P. (2011). Green Consumption An Empirical Study of Consumers Attitudes and Perception regarding Eco-Friendly FMCG Products, with special reference to Delhi and NCR Region. *Opinion*, Vol 1, NO 1, December 2011. pp.64-74.
4. Balderjahn, I. (1988). Personality variables and environmental attitudes as predictors of ecologically responsible consumption patterns. *Journal of Business Research*. 17 pp. 51–56.
5. Pickett, G.M., Kangun, N., Grove, S.J. (1995). An examination of the conserving consumer: implications for public policy formation in promoting conservation behaviour. The Haworth Press, New York, NY, pp.77-99.
6. Coddington, W. (1993). *Environmental Marketing: Positive Strategies for Reaching Green Consumers*. McGraw-Hill, New York, NY, pp 56-68.
7. Schlegelmilch, B.B., Bohlen, G.M., Diamantopoulos, A. (1996). The link between green purchasing decisions and measures of environmental consciousness. *European Journal of Marketing*, Vol. 30 No.5, pp.35-55.
8. Hartmann, P., Ibanez, V.A., Sainz, F.J.F. (2005). Green branding effects on attitude: functional versus emotional positioning strategies. *Marketing Intelligence & Planning*, Vol. 23 No.1, pp.9-29.
9. D'Souza, C. (2005). Green advertising effects on attitude and choice of advertising themes. *Asia Pacific Journal of Marketing and Logistics*, Vol. 17 No.3, pp.51-66.
10. Chan, Y.K.R. (2004). Consumer responses to environmental advertising in China. *Marketing Intelligence & Planning*, Vol. 22 No.4, pp.427-37.
11. Hawkins, D.I., Best, R.J., Coney, K.A. (1998). *Consumer Behaviour: Building Market Strategy*. McGraw-Hill, Boston, MA, pp 24-42 .
12. Mendleson, N. (1994). Environmental marketing business partnering at AFC-developing strategic alliances, environmental marketing: critical success strategies for reaching the green consumer. *Proceedings of the 1994 Conference, Sydney*, 22-23 February, pp.87-103.