

# Green Products and Green Marketing: Are Customers Aware?

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In the current competitive scenario all the business are trying to deliver superior level of customer value. Most important thing for delivering customer value is to understand and identify customer needs wants and preferences. In the current scenario majority of the business organizations have directed their marketing efforts towards green marketing and are accepting green marketing as a part of their business strategies. Even though governments, environmental organizations and businesses are promoting green marketing practices but prior to every effort it is important to understand whether the customer understands green products and green marketing. But importantly awareness is an essential ingredient of marketing because if customers are unaware of the aims and benefits of green marketing and green products, it would be difficult to realize the aim of green marketing. This paper tries to explore the customers' knowledge and awareness about the green products. It analyses whether the customers' are aware about the green products and also the difficulties in acceptance of green products by the customers. Finally, the findings and implications of the research are discussed. It will help the marketers in market segmentation and target marketing by assisting them in identifying and understanding customers on the basis of their awareness level.

**Key words:** Green products, Green marketing, Customer awareness and Environment friendly.

## Introduction

Environmental issues are up high now-a-days throughout the world. Environmental issues have gained momentum in business as well as in public life. Every common citizen of our nation and the world is worried about the common threat of global warming and extinguishing resources. In such a scenario, business houses has taken opportunity "Green Marketing" as an strategy to promote their products by using environmental claims. Environmental claims are attached with the attributes of the products or either with the system, policies, procedures or manufacturing process followed by the business houses. Green Marketing covers broad range of activities. Green marketing is very conceptual and the concept of green marketing itself is vague. It is very difficult to exactly present what actually is green marketing. Different authors, writers and association have given different definitions of green marketing, which tries to cover all the major aspects of green marketing.

According to Polonsky (1994) green or environmental marketing consists of all the activity designed to generate and facilitate any exchange indented to satisfy human needs and wants, such that the satisfaction of these needs and wants occur with minimum detrimental impact on the natural environment. According to Lozada (1993) green marketing is the application of marketing tools to facilitate exchanges that satisfy organizational and individual goals in such a way that the preservation, protection and conservation of the physical

environment is upheld. According to Pride and Ferrell (1993) green marketing, also alternatively known as environmental marketing and sustainable marketing, refers to an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment. According to Stanton and Futrell (1987) green Marketing include all the activities that are designed to generate and facilitate any exchanges intended to satisfy human needs and wants; therefore it ensures that the interest of the organization and all it consumers are protected, as voluntary exchange will not take place unless the buyers and sellers are mutually benefited.

Apart from everything it is the human who is responsible for the environmental depletion. From the years we know that human consumption by its very nature is destructive to the environment. Today the companies making green claims about their products states that their products are "less environmentally harmful" as compared to other products of the same capacity and range under standard test conditions. This above statement could be easily found over number of electronic and other products. The statement "environment friendly" over the products is very rare. When it comes to green marketing, it minimizes environmental harm not compulsorily eliminating it.

Initially the concept of green marketing or ecological marketing began in Europe in 1980s when some of the products were

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identified as harmful to the earth's atmosphere. Consequentially, new green products were introduced that were less harmful to the environment. Green marketing includes ecologically safer products, recyclable and biodegradable products, energy efficient products, cleaner manufacturing technologies, better pollution controls, recyclable packaging, reusable and refillable containers etc.

Today, people are more and more aware and conscious about the environment. Green marketing is becoming more and more important for business and governments to change their thoughts, beliefs, procedures, behavior and regulations so as to address the concern of consumers. The production and consumption pattern are directly related to each other. Products are produced and customized by the marketers according to the need and wants of the customer. Ultimately the key element is the customer in the marketing as well as in the green marketing process. To know the fate of the green marketing it is prelude to understand the customers' awareness towards the green concept and green products.

#### **Literature Review**

Oyewole (2001) focuses on the fact that there is a relationship between industrial ecology, green marketing and environmental justice. Paper discusses that the awareness towards environment will promote green marketing activities, in other words it could be said that environmental awareness and green marketing are directly proportional to each other. It has been also identified in the paper that there is a different type of cost which the author termed as 'cost with positive results'. It may be possible that this cost may be associated with environmental justice in green marketing.

Merilanen, Moisander & Personen (2000) highlighted that Environmental management systems and green marketing programmes increasingly gained recognition in western countries. Environment management systems and green marketing programs are viewed as cost-efficient and effective in environmental protection. It is argued in this article that these optimistic views are based on a number of ideas, images and descriptions that are contrary with long-term goals of environmental protection.

Prothero & Fitchett (2000) investigated that greater ecological concern can be achieved through capitalism by deploying the commodity culture to further progress environmental goals. Justification for the development and implementation of green commodity discourse can be achieved by the establishment of more sustainable forms of society.

Kilbourne & Beckman (1998) tried to map out the development of green marketing environment from the early researches. Evolution of green marketing environment started with the conceptualization of environmental consciousness,

environmentally related behaviors such as recycling and attitudes towards environmental problems such as pollution. This trend was later on followed by energy conservation and many public policies were added to the agenda which remained predominantly managerialist in perspective.

Fisk (1998) compared the effectiveness of "reward and reinforcement" strategy used in marketing activity to a strategy of "mutual coercion mutually agreed upon" as a means to augment the acceptance of environmentally appropriate production and consumption technologies in the markets. Author also suggests that the reward and reinforcement strategies and coercive regulatory activities jointly are the best way to achieve sustainable development than either one alone.

Grove & Fisk (1996) investigated the circumstances that could support the acceptance of environmental practices by services providers. They also tried to identify how the service sector can contribute in the preservation and protection of environment.

Crane (2000) presented various issues of morality in marketing from different perspectives. Five different moral perspectives are identified by the author are- namely, fair play, managerialist, reformist, reconstructionist, and interpretist. Relationship between the various perspectives is broadly discussed in the paper and the author finally concluded that the reconstructionist and the interpretist perspectives might be expected to be the most fruitful vista for future investigation.

Ginsberg & Bloom (2004) discussed that the green marketing has been not as successful as supposed to be. It has been constantly seen that the consumers are increasingly becoming more and more aware of the environmental problems and prefer green products over less environmental friendly products. Marketers must realize that consumers will not compromise traditional product attributes like convenience, price, quality, performance, availability etc and even the green marketing strategy vary for different companies. Author suggests that companies should adopt one of the four strategies depending on the prevailing market and competitive conditions. The strategies suggested are - from the relatively passive and silent "lean green" approach to the more aggressive and visible "extreme green" approach - with "defensive green" and "shaded green" in between.

Menon, Menon, Chowdhury & Jankovich (1999) explained that the concern about the environment has increased and so the environmentally conscious marketplace. Concept of environmentally-based marketing programs, green marketing mix and implementation of programs has been discussed in the paper. Along with the concepts study also focuses on the firm performance and the business environment and the managerial inference of adopting environmentally based marketing programs.

**Objectives of the Study**

The objectives of the present study is to explore customer awareness on green marketing and green products and to analyze the importance of customer awareness in green marketing in the current scenario as well as to open vistas for future researches.

**Research Methodology**

**Sampling Design:**

**Population:** Population included all the consumers of Bhopal region.

**Sampling Element:** Individual consumers were the sampling element.

**Sampling Technique:** Non – Probability purposive sampling technique was used to select the sample.

**Sample Size:** Sample size was 100 Respondents.

**Tools Used for Data Collection**

Self-designed questionnaire was used for the evaluation of Consumer Awareness towards Green products and Green Marketing. Data was collected on a Likert type scale, where 1 stands for minimum agreement and 5 stands for maximum agreement.

**Tools Used for Data Analysis**

- The measure was standardized through computation of reliability and validity.
- Correlation analysis applied to find out the underlying factors of Consumer Awareness towards Green Products and Green Marketing.

**Procedure**

A total of 100 questionnaires were distributed across Bhopal city and a total of 91 consumers responded, resulting in 91% response rate. The questionnaire includes two sections. The first section includes 23 items on green product and green marketing to reveal the customer awareness and the second section includes demographics of the population. All the items in the questionnaire were measured on five-point Likert statements aimed at capturing the respondents' awareness about green products and green marketing (1="Strongly disagree," 5="Strongly agree").

**Findings**

**Reliability of the Scale**

According to Pallant (2001), reliability indicates that how free a scale is from the random error. Reliability of all the items was tested and resulted in Cronbach's alpha 0.794. It is considered that the reliability value more than 0.7 is good and it can be seen that in statistics, reliability value is quite higher than the

standard value, so all the items in questionnaire are highly reliable. The result is shown in Table 1.

Multiple regression equation was developed to relate the construct of brand resonance with other brand equity constructs. For the purpose of developing the regression equations, the five brand equity factors, i.e. brand judgments; brand feelings brand salience; brand performance and brand imagery were taken as an independent variables and the brand resonance as a dependent variable.

**The Expected Regression Model Used in the Study**

$$Y_1 = \beta_0 + \beta_1X_{1i} + \beta_2X_{2i} + \beta_3X_{3i} + \beta_4X_{4i} + \beta_5X_{5i} + \mu_i \tag{1}$$

Where  $i = 1$  to  $416$ ,  $Y$  is the Brand Resonance,  $X_1$  is Brand Salience,  $X_2$  is Brand Performance,  $X_3$  is Brand Imagery,  $X_4$  is the Brand Judgments,  $X_5$  is the Brand Feelings, and  $\mu$  is the random error term.

**Table 1 : Reliability Statistics**

Cronbach's Alpha	N of Items
.794	23

**Validity Test**

Validity of the questionnaire was checked through face validity method and was found to be high.

**Demographic Profile of the Sample**

Table 2 demonstrates the demographic profile of the sample. The sample is balanced with respect to gender (male's represents 51.6% and females represents 48.4%). 24.2% of the respondents are between the age group 31-40 years, 58.2 % of the respondents are below 30 years of age and 17.6% of the respondents are above the age group 40 years. Respondents with high educational level (university graduate, post graduate or professional degree) represent 76.9% of the sample and above medium education level represent 23.1% of the sample. Respondents with household income levels above Rs. 50,000 were 16.5% and those between income levels of Rs. 25,000 to 50,000 were 58.2% and below income level of Rs.25, 000 were 25.3%.

Table 2: Demographic Characteristics of the Sample

Demographics	Number of Cases	Classification	Frequency	Percentage
Gender	91	Male	47	51.6%
		Female	44	48.4%
Age	91	Below 30	53	58.2%
		Between 31-40	22	24.2%
		Above 40	16	17.6%
Education	91	Above UG	70	76.9%
		Below UG	21	23.1%
Income Level	91	Above Rs 50,000	15	16.5%
		Between Rs 25,000 to 50,000	53	58.2%
		Below Rs 25,000	23	25.3%

### Consumer Awareness towards Green Products

Figure 1 shows that the majority of respondents are aware about the green products and green marketing i.e. they have a high level of knowledge and concern about quality of the environment. 76.92% of the sample accepts that they have high

level of awareness towards the green products and green marketing. Respondents showing low level of awareness towards the green products and green marketing represent 12.08%. However, those who are almost not aware of green products and green marketing are only 10.9% of the sample. Table 3 illustrates these results.

Figure 1: Consumer Awareness towards Green Products and Green Marketing

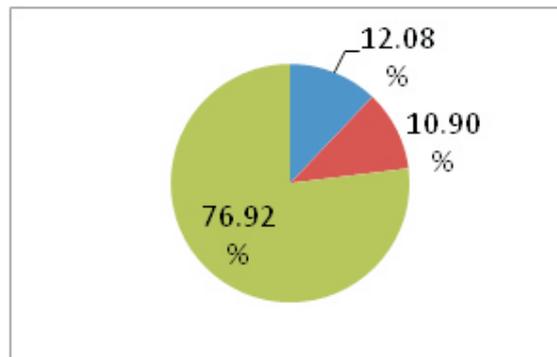


Table 3: Consumer Awareness towards Green Products and Green Marketing

Level of Awareness	Frequency	Percent
Low Level Awareness	11	12.08%
Neutral Level Awareness	10	10.9%
High Level Awareness	70	76.92%

### Correlations

Subsequent analysis looks at Pearson correlation of respondents' awareness and the other green product and green marketing variables. The results as shown in the table indicates that the Consumer awareness is correlated with the avoidance of non-

green products and Recyclable & Reusable products at .000 level of significance while Consumer awareness is correlated to the biodegradable products, green purchase can improve the environment, green purchases reduces environmental impact and environment claims are misleading at .05 level of significance.

Table 4: Correlation of Environmental Concern with each Variable (N= 91)

	Avoid non-green Products	Recyclable Reusable	Reduce Env't. Impact	Bio-degradable	Green Purchase Improve Env't.	Environment Claims Misleading
Awareness Pearson Correlation	.492	.408	.310	.275	.320	.233
Sig. (2-tailed)	.000	.000	.003	.009	.001	.028

**Discussion**

Unlike western consumers, Indian consumers are just in the phase of green awakening. People today keep sharp eye on all the global issue and environment being the highly vibrant and discussed topic. The issue here is that people are already aware of environmental degradation and also shows concern about the same but the question is that do they view green marketing as the potential option of curbing down or healing environmental problems and importantly are they aware of what green products are? Do there environmental concern shows their inclination towards the green products. Therefore, this research attempts to examine the consumers' awareness towards the green products and green marketing. The findings indicated that consumers have positive concern towards the environment. A correlation analysis indicates that consumer awareness is significantly related to avoidance of non-green products, recyclable and reusable products, biodegradable products, green products reduces harmful impact on environment, green purchases can improve environment and environmental claims are misleading. Consumer awareness towards green products show significant relationship with only six attributes of the green products as mentioned above. It means that though they claim to be aware about the green products but they are not fully aware of each and every facet of green product and green marketing activities.

**Implications of the Study**

This study is an important contribution for the various companies to know the level of awareness of consumers about green marketing and green products.

This study can also be utilized for evaluating consumer awareness on various aspects of green marketing and green products.

Current study has focused on the relationship between consumer awareness and different attributes of green product and green marketing.

It is important to carry out future researches to explore the links between consumer awareness and other functional typologies

that drive green purchases.

The current study relied on self-reported measures so caution must be taken before generalizing the results of the study.

Study was carried out at a particular place, it would be better to carry out further research in different cities before generalizing the results.

Firms can make use of the study in concentrating on what aspects to aware consumers.

Before doing so much of green, companies should focus on awareness strategies because consumer awareness can change their concern for environment into green purchases.

Finally, green marketing management could be advanced by including consumer awareness in different marketing dynamism.

Marketers and companies promoting green products should carryout awareness campaign to convince consumers that their green purchases would make a difference in improving the environment from further deterioration.

It is crucial to make consumers feel that their contribution for environment in any form matters.

**Suggestions**

In the current marketing scenario consumers in the market are not fully aware of what green products are, what is green marketing and benefits of green products. Therefore it is of prime importance to make customers aware in order to realize success of green marketing. Government and NGOs participation in exposing the public in general about green products is still small.

Though, customers have positive environmental attitude and concern but some initiative must be taken to attract people towards the green by making them aware and by rewarding them. As well as there is a need to set up some strict rules and regulations to enforce people to protect the environment. 76.9% of the respondents of this study consisted of graduated and post graduated people and 23.1% of the respondents were

under graduate, as the results shows all were educated. The educated people get across the various attributes of products while doing purchases but these are not properly aware of the attributes of the green products. As well as it is easy to communicate environmental attributes of a product to educated people, therefore, companies should divert their marketing attempts in the direction of awakening people towards the environmental products and thus can hit the agenda of behavioral changes to some extent.

The current study may play a crucial role in the sense to explicate the gap between consumers' awareness and green products. Consumer awareness could shape their intentions and their actual buying behavior, as accordingly further researches should be conducted to reveal relationship between awareness and intentions to purchase green products. Hence, along with environmental aspects manufacturers should consider raising customer awareness on green products to attract these consumers.

### Conclusion

This paper examines the level of consumer awareness on green product, green marketing and general environment. The results from this study would be of interest to companies promoting green products. By being sensitive to environment, consumers can be easily dragged to green marketing and by knowing the level of consumer awareness on green products it would be easier for companies to better predict the behavioral patterns of these consumers. Furthermore, corporations must also be aware of the fact that consumers would be interested in buying green products and will behave environmentally only if they believe that their action contributes in environment protection. But in practice green appeals are not much attracting customers to buy green products. The main objective of green marketing is to improve the environmental quality and as well as it is a well known fact that customer satisfaction is objective of marketing. This would be challenging for companies in market to promote green products without making customer aware of green products and aim of green marketing.

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