

## **“Determinants Of Purchase Decision Of Green Products Among The Customers In Bangalore City”**

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<b>Keywords:</b>	<b>Abstracts</b>
Green marketing, Marketing-mix, Word of mouth, Consumer satisfaction, Consumer attitude and Purchase intention	<p>This research study is on the green marketing but specifically on determinants of purchase decision of green products. It has now been a global concern to protect environment from pollution caused by humans. With this vital information through the research provided by different researchers and expertise, companies have understood the importance and value of green marketing in business also. This information is the basis of literature of this research study.</p> <p>The objective of this research is influence of four traditional marketing mix elements, satisfaction and word of mouth attitude and purchasing intentions of consumers on eco-friendly products specifically on fast moving consumer goods or non-durable ones. The purpose of this study is to find out the behaviour of consumer toward green product and collect information on the same. Our findings indicate that consumers already buying eco-friendly products and those who are satisfied by the previous purchases were willing to repeat purchases. Indeed satisfaction goes with purchase intention. Furthermore the importance of WOM and Advertisement about green products the fact that consumers believe in green claim explain the variance of the purchase intention. Our findings demonstrated that there were differences in attitudes and purchase intention toward green products between mainly the women and men.</p>

### **INTRODUCTION**

The objective of this introduction is to present the general background about green marketing. While globalization process continues in its full speed across the world, this process has also brought some problems with it. Leading one of these problems is environmental problems that affect all living beings negatively. These aforementioned environmental problems have started to come to the agenda more and more in the recent years and people have started to talk these negativities. Consumers now have worries about the future of the world and as results of this mostly prefer environment friendly products. In return to these attitudes of the consumers, companies have started to form their marketing strategies so as to appeal increasing awareness of this environment-friendliness.

These marketing strategies, named as green marketing, have caused companies to adopt green policies in their pricing, promotion, product features and distribution activities. Green marketing term was first discussed in a seminar on “ecological marketing” organized by American Marketing Association (AMA) in 1975 and took its place in the literature. In this seminar where the impact of marketing on natural environment was analysed with the contribution of academicians, bureaucrats and other participants, ecological marketing concept was defined as follows: Studies regarding adverse or positive impacts on environmental pollution, energy consumption and consumption of other resources as result of marketing.

The growth of green marketing research dates back to 1980s when there was emergence of concept of green marketing. Early literature indicates green marketing to be an approach which indicated signs of shift in consumer attention to green product. At that time green marketing research

concentrated on the shift in consumer consumption of green products. There was a great deal of empirical research carried out to identify interest among consumers in using and purchasing green products. Green marketing approach was researched from a corporate interest point of view in the early 90s. Research indicated that 92% of MNCs from Europe changed their products to address growing concerns of environmental pollution. Green marketing research has come a long way since then. Consumers from the developed countries including USA and Western Europe were found to be more conscious about the environment. Research in the last decade has indicated that consumer are aware and are willing to pay more to "go green". There is limited research which has examined the impact of green marketing on consumers from emerging economies like India.

Green marketing has rose attention due to the environmental deterioration and it becomes a global problem. Nowadays, the American Marketing Association (AMA) divides the definition of green marketing in three aspects (marketingpower.com): as "the marketing of products that are presumed to be environmentally safe" (retailing definition) as "the development and marketing of products designed to minimize negative effects on the physical environment or to improve its quality" (social marketing definition) and finally as "the efforts by organizations to produce, promote, package, and reclaim products in a manner that is sensitive or responsive to ecological concerns"(environments definition). Companies are using green marketing for many reasons as green policies are profit making; the business world is more and more implicated into social responsibilities.

An eco-friendly product is supposed to reduce the impact of its consumption on the environment thanks to the use of making-processes, components and recycling techniques which are less harm for the natural environment than those of conventional products. The market of green products is more and more increasing. In this thesis "eco-friendly" as well as "green" products will be used to mention environmental products.

## LITERATURE OF REVIEW

**Solomon, (2010)** analysed the effective and efficient use of the natural resources and preservation of it has led to consumers' segments to form green consumerism. Vernekar and Wadhwa define the green consumer as a person "who adopts environmentally-friendly behaviours and/or who purchases green products over the standard alternatives.

**Polonsky (2011)** stated that the environmental marketing, more popularly known as green marketing or sustainable marketing can be defined as the effort by a company to design, promote, price and distribute products in a manner which promotes environmental protection. Green marketing has been defined 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.

**Maheswari and Sakthivel (2015)** made a study on the customers attitude, perception and awareness and satisfaction level towards green marketing products in Coimbatore city. The study revealed that as Coimbatore an educational background city, due to that all respondents are aware of green products. But at the same time, the utility score of the respondents are average in Coimbatore city.

**Anu Varghese and Santhosh (2015)** made a study on consumers' perception with reference to Kollam district in Kerala. 80 consumers were selected on a convenience basis. According to the study the majority of the respondents are aware about eco-friendly products. Organic vegetables and food products were mostly preferred by customers. The major factor influencing the buying behaviour of consumers is quality of the product, and the problem faced, by the consumers are lack of availability of products, high price and low promotion.

**SeemaLaddha and Prof. MayurMalviya (2015)** conducted a small survey of 150 samples from Navy Mumbai. Questions related to Environment and buying behaviour were asked to the respondents. The survey revealed that there is growing concerns about environment and increasing. It is revealed that Indian consumers' pro-environmental concerns, knowledge of environmental issues, awareness of eco-

friendly products, and educational levels effect on green buying behaviour. The awareness about the products should be done through advertising so that individual buying behaviour can be changed which can have an impact on the welfare of the environment. It is also important that companies aiming at developing new eco-friendly products should ensure that products perform competitively. Green marketing is still in its infancy and a lot of research is to be done on green marketing to fully explore its potential.

### STATEMENT OF THE PROBLEM

The deterioration of the environment led to the adoption and the development of consciousness of consumers' attitude towards eco-friendly products in order to preserve the planet. They therefore, deem it expedient to take measures towards protecting the environment which has become their personal attitude towards eco-friendly foods. Consumers patronize the products and their aims are to make sure the contribution is supporting sustainable environment and contribution the guiding of the climate change. However, it has become global struggling to achieve the purpose of the environmental protection so companies are using various means to persuade the consumers' segments. Who are environmentally conscious to change their attitudes from the conventional products towards green products and also satisfy their needs?. Some of the previous researchers have emphasized on the four concepts on the "demographics, green lifestyle, green attitudes and green behavioral intentions in the context of the low involvement product category".

There are many studies about the consumer behavior concerning the environment but most of them are concentrated on one or two marketing-mix elements and they do not make a link with the actors that companies use to make consumers buy green products and their attitudes towards these products. Furthermore, previous findings concerning consumers' attitudes towards eco-friendly products are conflicting e.g. some studies found that consumers think conventional products have high quality compared to eco-friendly ones but in other studies results show the opposite. In some studies we can find that consumers are willing to pay more for green products and in other studies it is not the case or the extra price has to be low.

These finding led us to make up our own opinion about this subject: consumers' attitudes toward green products and purchase behaviour. Indeed the aim of this study is to examine factors which influence the purchase of eco-friendly products in a broad way, in order to demonstrate what actors used by companies from the marketing-mix elements (the product, the price, the place and the promotion) have an influence on green purchase behaviours and if some are more important than others.

### OBJECTIVES OF THE STUDY

- To know the awareness of green products and its effect of consumer purchase decision

### RESEARCH METHODOLOGY

In order to investigate the determinants of purchase decision on green products among the customers. The study was carried out in various place in Bangalore City.

The primary data was collected through questionnaire contains the HEP-NEP questions (Dunlap and van Liere, 1978) to measure consumer general environmental beliefs with the possible responses of strongly agree to totally disagree. Respondents were also asked to name any green product types that they had experience of using.

The statistical methods used in the analysis were Means, Coefficient of Variation - to analyse the average level of perception of the respondents means and standard deviations.

A convenient sampling design was followed and intercept method was used for data collection. One hundred and twenty customers opinion has been recorded.

### Results

**Table- 1. General Environmental Beliefs**

General Environmental Beliefs	Mean	Standard Deviation	Coefficient of Variation
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Our population size is growing to the limit of the number of people the earth can bear.	2.35	0.92	39.21
The equilibrium of nature is very delicate and easily gets upset.	3.19	0.70	21.88
Humans have the right to modify the natural environment to suit their needs	3.22	0.83	25.62
When humans interfere with nature it often has disastrous consequences	2.87	0.98	34.08
Mankind created to rule over the nature.	2.85	0.92	31.96
Plants and animals exist primarily to be used by humans.	3.42	0.60	17.31
To maintain a healthy economy, we will have to control industrial growth	3.27	0.64	19.32
Humans must live in harmony with nature in order to survive.	3.37	0.79	23.31
Mankind is severely abusing the environment.	3.28	0.65	19.61

Source : Primary Data Computed

Table 1 explains out of 9 propositions on Consumer General Environmental Beliefs , 6 propositions mean score is 3 or above on likert-5 point scale for propositions 2,3,6,7,8 and 9 which means most of the respondents are having strongly agreed for these propositions and same is supported by relatively less SD and lower values of CV. For the Propositions 4, 5 and 9 respondents gave good mean score ranging from 2.35 to 3.42, which implies respondents more or less agreed on these propositions. For proposition 1 and 9 most of the respondents gave average mean score and they are slightly agreeing on these propositions the same is reflected in CV also. That means respondents have varied opinions on these propositions which is well supported by its SD.

The second part included questions about environmental behaviour, with seven questions related to purchasing behaviour. Green Gauge questions (Ottman, 1998), which segment green consumers by behaviour. The results were measured on a 5 point scale of never, situational, sometimes, frequently and always used as a benchmark for comparison of all other data in this study

**Table 2. Consumer Environmental Behaviour**

<b>Environmental Behaviour Questions</b>	<b>Mean</b>	<b>Standard Deviation (SD)</b>	<b>Coefficient of Variation (CV)</b>
Use biodegradable products.	2.90	0.86	29.57
Avoid buying aerosol products.	2.84	0.90	31.53
Read labels to see if contents are environmentally safe.	2.74	0.75	27.30
Buy products made or packaged in recycled materials.	2.86	0.79	27.60
Buy products in packages that can be refilled.	2.80	0.75	26.95
Take your own bags to the supermarket.	2.44	1.00	40.76
Cut down on car use.	2.87	0.83	28.62

Source: Primary Data Computed

Out of seven propositions on Consumer Environmental Behaviour Questions, all the propositions except 6<sup>th</sup> one are in the range of 2.74 to 2.90 , that means all the respondents more or less agreed and 6<sup>th</sup> proposition respondents gave average mean score but this proposition the opinion of respondents varied a lot as SD is one with high C.V.

The third part of the questionnaire covered marketing issues related to attitudes towards green products, designed to explore topics identified in the consumer behavior and advertising industry opinion sections. Again, the HEP-NEP environmental questions were used to contextualize the

responses to the consumer product questions. The suggested responses were: strongly agree, mildly agree, mildly disagree, and strongly disagree. Respondents were also asked to name any green product types that they had experience of using

**Table 3. Consumer purchase Behaviour**

Consumer Product Questions	Mean	Standard Deviation (SD)	Coefficient of Variation (CV)
I feel good about buying brands which are less damaging to the environment.	3.15	. 0.73	23.25
It is easy for me to identify these products.	3.18	0.85	26.81
Green products are inferior in performance to non-green products.	2.72	0.94	34.62
I have formed this opinion because people I know and trust told me so.	2.83	0.81	28.45
I have formed this opinion because of my own recent experience of a product.	3.18	0.68	21.24
I trust well-known brands to make products which work.	3.45	0.70	20.27
In the marketing communication about a product, I expect to be informed of new improved Formulas/design.	2.68	0.89	33.26
In the marketing communication about a product, I expect to be informed of how environmentally friendly a product is.	2.07	1.04	50.29
Green products are marketed to me in a way which I never notice.	3.08	0.72	23.35
Green products are marketed to me in a way which I find really engaging and relevant to my lifestyle.	2.23	1.06	47.62

Table 3 shows that Out of 10 propositions on Consumer Product Questions, 5 propositions mean score is 3 or above on likert-5 point scale for propositions 1,2,5,6 and 9 which means most of the respondents have strongly agreed for these propositions and same is supported by relatively less SD and less C.V.

For the propositions 3, 4 and 7 respondents gave above average mean score which means they all agreed on these propositions and for remaining 8 and 10th propositions respondents gave poor score and on these two propositions respondents opine varies a lot which is clear from these proposition SDs and C.Vs respectively

## FINDINGS

**Consumer Beliefs, Attitudes towards Environmentally Friendly Products:** No one strongly disagree, where three-fourth of the respondents strongly agree that they would choose eco friendly brands. Respondents reacted positively about buying brands which are less damaging to environment. However, the expectation of the customer is not away from the effective functioning of green brands as that of non green products.

**Consumer Awareness:** Majority of consumers expressed that identifying environmentally products on the shelves of the store is slightly difficult. When asked, majority of the respondents are



unable to name a specific product or product type which are eco-friendly. This speaks about the consumer unawareness of green brands.

**Efforts of Marketing:** Marketing plays a pivotal role in bringing consumer awareness. As the response show consumers would be more likely to choose environmentally friendly brands and were unable to recall green products/brands. This speaks about the gap in marketing effort put by the green marketers in bringing consumer awareness.

**Trust and Product Performance:** Survey reveals that the green product performance was significantly affected by environmental beliefs. Further, it is expressed by as large as of 88 percent of the respondents that they are likely to trust well known products and judge green products basing on their previous experience.

## CONCLUSION

Satisfaction showed a great influence among all of the factors that indicated that marketing managers should concern with the superior value of the eco-friendly products. Consumers have strong emphasis on the end-value of the products in order to repeat purchases. Satisfaction has impact on the attitude and purchase decision. The results of the satisfaction of the consumers would lead to increase in sales, market shares and brand loyalty. Many scholars agreed consumers are concerned on the satisfaction of the products and activities of the companies not harm to the environment

The product attributes in general have little influence on the attitudes and purchase intention of green products, which is surprising, but that could be due to the fact that some of the consumers buy eco-friendly products for the purpose of preserving the earth such as unselfish reasons. however, the product quality should not be overlooked since consumers relate price with quality when making purchasing decision, and consumers research not only green products claiming environmental values but also products with high quality, because consumers are not ready to make a compromise on quality just for the benefit's green attributes and for the moment green products seem still have less quality than conventional ones as our findings and previous researches demonstrated it.

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