

CONSUMER PERCEPTION TOWARDS GREEN MARKETING

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Abstract

Green revolution, going green, environmental protection, sustainable life style, sustainable development, protecting our earth and many more has become a natural phenomenon in our everyday life. Green marketing is a tool used by many companies to follow this trend. There has been a lot of literature review on green marketing over the years. This paper analyses the impact of green marketing strategies on customer satisfaction and environmental safety using comprehensive literature review. Consumers and manufacturers have directed their attention toward environment friendly products that are presumed to be “green” or environment friendly like low power consuming electrical appliances, organic foods, lead free paints recyclable paper and phosphate free detergents. Research has given good insights for marketers of the green products and suggests the need of designing the marketing communication campaigns promoting green products due to high green value among the consumers.

Keywords: Green marketing, consumer perception, green environment, sustainable life style, etc.

1. Introduction

Consumers and manufacturers have directed their attention toward environment friendly products that are presumed to be “green” or environment friendly like low power consuming electrical appliances, organic foods, lead free paints recyclable paper and phosphate free detergents. Research has given good insights for marketers of the green products and suggests the need of designing the marketing communication campaigns promoting green products due to high green value among the consumers. By identifying the changes in the consumer behaviour, the businesses can modify their offering to the consumers. Consumers today are more concerned about environmental degradation and negative impact of their uses of product and services on environment. Thus, using green marketing by the organizations not only provides an opportunity to meet consumer expectations and address their environmental concerns, but also to gain a competitive advantage and a strong consumer base. Green marketing is also termed as environmental marketing or ecological marketing. According to American Marketing Association, marketing of products that are presumed to be environmentally safe is called as green marketing. Green marketing refers to the process of selling products and or services based on their environmental benefits. Such a product or service may be environmentally friendly in it or produced an environmentally friendly way as being manufactured in a sustainable fashion. Thus, wide range of activities are covered under green marketing, which includes modifying the product, making change in the production process and packaging as well as modifying advertising or removing any activity that impacts the environment in negative way. Green marketing is emerging as a popular promotional strategy owing to increased consumer awareness and

concerns. A company to be successful in green marketing requires to be committed to operate in environmentally friendly ways.

2. Importance of green marketing

Green marketing affects positively the health of people and the ecological environment. It encourages integrated efforts for purity in production and consumption as well. We can witness following impacts of green marketing.

- Now people are insisting pure products.
- Reducing use of plastics and plastic based products.
- Increased consumption of herbal products.
- Recommending use of leaves instead of plastic pieces, jute and cloth bags.
- Increasing use of bio-fertilizers
- Worldwide efforts to recycle wastes of consumer and industrial products.
- Increased use of herbal medicines, natural therapy and yoga.
- Strict provisions to protect forest, flora and fauna, protection of the rivers, lakes sea from pollution.
- Global restrictions on production and use of harm weapons, atomic test, etc.
- More emphasis on social and environmental accountability of producer.
- Imposing strict norms for pollution control.
- Declaration of 5th June as the world environment day.
- Strict legal provisions for restricting duplication or adulteration.
- Establishing several national and international agencies to monitor efforts and activities of business firms in relation pollution control and production of eco-friendly products.

3. Benefits of green marketing

- It enhanced the image of the company in society.
- It promotes the renewal of the products its improvement and ecologization.
- Increases the chances of entering the premium segment and its further expansion.

- Gives an opportunity to enter foreign markets.
- Increases revenues due to receipt of funds from sale of goods at higher prices.
- Reduction of costs-savings as a result of utilization, the sale of by products and production wastes.

4. Green marketing and sustainable development

According to the World Commission on Environmental Development (1978), Sustainable development is meeting the needs of the present without compromising the ability of the future generations to meet their own needs. The common theme throughout this strategy of sustainable development is the need to integrate economic and ecological considerations in decision making by making policies that conserve the quality of agricultural development and environmental protection. This is what the end product of green marketing is, environmental protection for the present and the future generation. The development of energy- efficient operations, better pollution controls, recyclable and biodegradable packaging, ecologically safe products are all part of green marketing which also leads to sustainable development.

5. Green marketing in terms of price, product, place and promotion

Green marketing begins with 'green design'. Product design constitutes an active interface between demand and supply. An example by Ottman and Terry super concentrated laundry detergents are associated with energy saving reduced packaging, space and money. The product itself has to be made in such a way that it satisfies consumers and manufacture's needs. For ecologically sustainable products to be successful, green branding attributes have to be efficiently communicated. Most buyer decisions are influenced by the labeling, that states all that makes the product green compliant. The price of green product has to be affordable for the customer to encourage purchase. Industrial differentiation works only when products reduce client's cost. Most buyers are influenced by advertisement that reflects a company's commitment to environment. Companies that do green advertisement that tend to portray an image of environmental friendliness, influences their customer purchase decisions. Consumers love to associate themselves with companies that are environmental stewards. When a company communicates this through their advertisements, promotions, publicity and corporate social responsibilities, they are sure to get many loyal customers. Green distribution is a very delicate operation. Customers must be guaranteed of the 'Ecological nature' of the product. The green environment is a constantly regulated environment and as such high level of compliance is necessary when carrying out distribution of green products. This is a common procedure in the United States.

6. Stakeholders in green marketing strategy

Based on marketing literature, stakeholders play one of the most influencing roles in any organization and market. They influence all aspect of green strategy also in areas such as purchase of green product, nature of the product, the packaging, advertisement, promotion and also green awareness programs. When a particular company wants to 'go green', the stakeholders are at the fore front of their green marketing strategy. Stakeholders in green marketing include the plant, various animals, plant species and the future generations.

7. Customer satisfaction and green marketing

Customer satisfaction has been defined in two basic ways: as either an outcome or as a process. As an outcome, it is satisfying the end state resulting from the consumption experience. As a process, it is the perceptual evaluative and psychological process that contributes to satisfaction. The definition is varied with regards to their level of simplicity which includes; product satisfaction; satisfaction with the purchase decision experience; satisfaction with the performance attributes; satisfaction with the store or institution; and satisfaction with pre-purchase experience. Many authors believe that customers have a high level of involvement regarding environmental issues as a consequence of growing environmental consciousness. Studies have shown the significant influence of environmental knowledge and consciousness on consumer environmental attitude. Consequently, companies that communicate their 'green product' in their packaging, advertisement or manufacturing process, gain satisfied customers. Because of the green trend, companies that fail to 'go green' are not failing to fail in their industry. Customers want to associate themselves with companies and products that are eco-friendly

8. Green marketing advantages and disadvantages

As sustainability-oriented companies need to scale their impact mission, green marketing becomes a priority. Being green or sustainable encompasses many elements; energy efficiency, the use of clean/renewable energy, water conservation, recycling and waste management, eco-friendly apparel, organic produce, sustainable farming and much more. The key to a successful green marketing strategy is to communicate authentic and concrete facts about a company's engagement towards social and environmental causes. When a business shines light on the positive impacts their product or service brings about they have the possibility of piercing new target markets. For example, residents that never considered the idea of using solar power might switch to solar panels if the information is clear, concise and targets their needs. Green marketing advantages can also include highlighting sustainable manufacturing practices, the use of eco-friendly and organic products within the work office, composting and recycling at work, and carpooling to go to work. Less or better packaging, paperless policies, recycling ink cartridges, and planting trees, reduces carbon footprint.

Consumers are willing to pay more for products and services seen as sustainable or with a positive social impact. Customers are reassured when their products are chemical-free and made with recyclable materials that do not harm the environment. Green marketing and awareness campaigns help customers to make informed choices potentially contributing to environmental causes. This is a major asset, as conscious customers pay attention to the products they purchase and use, and therefore will become more active in voicing your product, leading to an increase in sales. When you choose green marketing, you become seen as a conscious or responsible leader in your industry. This is true even for customers that do not prioritize environmental issues. It also creates a wider choice of marketing points that you can promote and discuss with your customers, which go beyond traditional strategies such as having the lowest price, durability and style. These might be large-scale companies, but when it comes to green marketing advantages, the same possibilities apply to even the smallest companies. For example, small businesses such as consulting firms can participate in any local environmental event such as Earth Day, which takes place on April 22. These events bring great awareness and usually have their own activities, competitions and promotions in place.

Changing your marketing tactics takes time and the development of a new strategy, which typically translates into increased costs. While sustainable efforts and practices are designed to save money, when a company puts effort into changing their brand to be more environmentally friendly, those changes can have expensive upfront costs. To commercialize products as “green”, depending on industry you might have to go through a long and pricey process to obtain the environmental certifications. These certifications, which the governments, industry associations, professional associations and consumer rights groups distribute, use certain certifications to meet industry environmental standards. This is especially true for companies operating in the fields of energy consumption and recycling waste management.

9. Conclusion

Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. If you think customers are not concerned about environmental issues or will not pay a premium for products that are more eco-responsible, think again. You must find an opportunity to enhance your product's performance and strengthen your customer's loyalty and command a higher price. Green marketing is a tool for protecting the environment for the future generation. It has a positive impact on environmental safety. Because of the growing concern of environmental protection, there is an emergence of a new market which is the green market. For companies to survive in this market, they need to go green in all aspect of their business. Consumers want to identify themselves with companies that are green compliant and are willing to pay a premium for a greener life style.

10. Reference

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