

IMPACT OF GREEN MARKETING ON THE PURCHASE BEHAVIOUR OF GENERATION Y

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Abstract : Green Marketing can be defined as “all efforts to produce, distribute, promote, package and reclaim products in a manner that is sensitive or responsive to ecological concerns”. Marketers have been able to develop new ways of thinking and adapting themselves to the market by utilizing sustainable marketing or green marketing. One of the factors explaining the emergence of green marketing is due to the increasing concern among individuals for sustainability. Therefore it is vital to incorporate this discourse in the world of marketing. Company statements about their products are sometimes misleading or inaccurate; they claim that their products are environmentally friendly and/or ethically conscious but the fact may not be true. They enhance the value of their product whilst misleading consumers this is known as Green Washing. The Generation Y is more aware and educated regarding sustainability. They are the future population and they seem to have a different mindset towards consumption and ethically conscious products. They are more prone to wanting a substance behind a purchase, meaning that younger individuals gather more information before purchasing a product. This study explores the impact of green marketing on the purchasing behaviour of generation Y consumers. Generation Y consumers represent the future of our society. By understanding their green purchase behaviour, organisations can establish sustainable marketing strategies that appeal to this particular segment. Businesses are of the conception that adapting greener strategies costs money and they need to understand the impact this has on their largest consumer segment (generation Y) to avoid taking unnecessary risk.

Keywords – sustainability, Green Washing, sustainable marketing strategies, green purchase behaviour

INTRODUCTION

Green marketing as defined by Philip Kotler refers to the process of managerial and social nature, through which individuals, or groups of persons, they obtain what they need or they want, creating and changing with others products or value.

American Marketing Association, have defined green marketing under three perspectives:

Green Marketing is: Retailing Definition: The marketing of products that are considered to be environmentally safe.

Social Marketing Definition: The production and marketing of products designed to reduce negative effects on the physical environment or to improve its quality.

Environmental Definition: The efforts by organizations to produce, promote, package, and reclaim products in a manner that is sensitive or responsive to ecological concerns.

This study aims to highlight such efforts of various companies towards green marketing and their impact on Gen Y consumers.

Review of Literature

An attempt has been made to study the various sources of literature pertaining to the impact of Green marketing on consumers; the selected findings are given below.

Sudhir, Sachdev(2015) in their article titled Green marketing consumer attitude towards eco friendly fast moving household care and personal care products discussed that Indian literate and urban consumer is waking up to the merits of Green products. But it is still a new concept for the majority.

The new green movements need to reach the masses and that will take a lot of time and effort. By India’s customs and Ayurvedic heritage, Indian consumers do value the significance of using natural and herbal products.

Bhatia, Mayank (2017) in their paper titled impact of Green Marketing Practices on Consumer Behaviour Study with Reference to Consumer Durable Goods in India have concluded that due to insufficient communication about the eco-friendly measures taken by the governments and the organizations, the measures used were found to have been limited to papers only. Due to this, the presence of ECOMARK (which is into existence since two decades), only a few organizations have secured ECOMARK license from Bureau of Indian Standards.

Lee, Kaman ((2008) "Opportunities for green marketing: young consumers “discussed important factors in affecting young consumers' green purchasing behaviour in the Hong Kong context.

Objectives of Study

- 1 To study the awareness of Green marketing among Generation Y.
- 2 To highlight such efforts of various Indian companies towards green marketing.

Research Methodology

The current study is exploratory in nature as data has been collected from both Primary and Secondary Sources to understand the impact of Green Marketing on the purchase behaviour of Generation Y consumers.

Primary Data

The statistical data is collected for a descriptive research from 50 respondents using a convenience sampling method through a well structured questionnaire.

Secondary Data

The theoretical information has been collected from various books, journals, e-newspapers and websites.

Sample Technique

The Sampling Technique used for the current study is Convenience Sampling Method.

Sample Size

The sample size of 50 respondents has been used to distribute the well structured questionnaire.

Theoretical Framework

Green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes as well as modifying advertising. Green marketing has gained the attention of both marketers and the consumers due to the environmental deterioration and it becomes a global problem in recent times both marketers and consumers are becoming increasingly sensitive to the need to switch to green products and services. Some of the factors contributing for such a switch from traditional marketing to green marketing are:

- To contribute towards Sustainable Development.
- Due to Government regulations and incentives.
- To meet the competitive pressures
- Corporate Social Responsibility, of the company towards society.

But the most outstanding factor that has led to the increasing rate of adoption of green marketing strategies by companies is the awareness among its consumers regarding green products and their concern for the environment, especially the Gen Y consumers who constitute the future market segment for all companies.

Thus the Gen Y is aware and their demand for eco friendly products which are produced by environmentally safe process and intend to reduce the carbon footprint and contribute their bit towards protection of the environment.

They are also known as the Net Generation or the millennial generation. Generation Y, those born between 1980-1994, they are considered to be "born green" implying that these consumers have grown up in a society where eco-consciousness was becoming a norm, and their parents referred to as baby boomer since they had first started the environmental movement, it is only in recent years that Generation Y is now considered the leading segment in the sustainable marketplace, which until now was dominated by the boomers not only in spending but also in making the purchase decision. Thus today marketers are greatly considering the gen y influence on the green market place and their demand for eco friendly products in addition to traditional marketing mix of 4 P's. These consumers are ready to pay an increased price for green products and innovative strategies adopted by marketers to adopt the 3 R's Recycle, Reduce and Reuse.

Green marketing has gathered attention globally among the new generation due to the environmental deterioration and their realisation of its harmful effects. According to a recent survey More than 63 per cent of Indian consumers are aware about the benefits of green products and of those, 85 per cent have confidence that they are better for the environment.

Many Indian companies have also realised that their eco-friendly product's consumption is supposed to reduce the impact on the environment by the use of manufacturing processes, product components and recycling techniques which are less harmful for the natural environment when compared to conventional products.

Idea Cellular has implemented its nationwide campaign to 'Use Mobile, Save Paper' wherein it organized Green Pledge campaigns to save paper and trees. Idea decorated bus shelters with potted plants and tendril climbers to communicate the green message.

IndusInd Bank installed the country's first solar-powered ATM and thus brought about an eco-savvy change in the Indian banking sector.

ITC has introduced Paperkraft, a premium range of eco-friendly business paper. The company has also initiated a social and farm forestry initiative that has planted over 80,000 hectares of arid land.

Maruti Suzuki India Limited (Greening of Supply Chain) - The company has initiated energy conservation and eco friendly processes at its manufacturing facilities, and in development of products that use fewer natural resources and are environment friendly. The company credited the 'Just-in-Time' philosophy adopted and internalized by the employees as the prime reason that helped to excel in this direction. The company has been promoting 3R (Reduce, Reuse and Recycle) since its inception. As a result the company has not only been able to recycle 100% of treated waste water but also reduced fresh water consumption in its operations.

Nokia's policy to reduce the environmental impact of its products led to the initiative to take back, recover useful materials and dispose of waste in a manner that causes least harm to the environment

Samsung offers a wide range of eco-friendly products. It was the first to launch eco friendly mobile handsets (made of renewable materials) – W510 and F268- in India.

Wipro InfoTech (Green IT) was India's first company to launch environment friendly computer peripherals. Wipro has launched a new range of desktops and laptops called Wipro Greenware in the Indian market which are produced as RoHS (Restriction of Hazardous Substances) thus reducing e-waste in the environment.

Agartala to be India's first Green City made all public and private vehicles in Agartala run on compressed natural gas (CNG) thus making the capital "India's first green city."

Indian Railways have allowed its customers to carry PNR no. of their e-tickets on their laptop and cells, no need to carry printed version of tickets anymore. Furthermore Indian Railways has taken measures to improve energy efficiency and installed green toilets on its coaches.

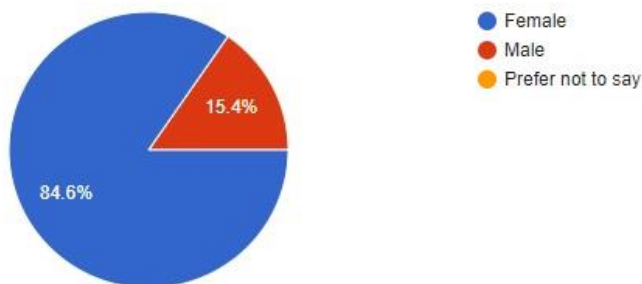
State Bank of India - SBI is entered into green service known as "Green Channel Counter". SBI is providing many services like; paper less banking, no deposit slip, no withdrawal form, no cheques, no money transactions form all these transaction are done through SBI cards. State Bank of India adopted wind energy to reduce emissions.

Kansai Nerolac has worked on removing hazardous heavy metals from their paints i.e. Lead free paints. The hazardous heavy metals like lead, mercury, chromium, arsenic and antimony can have adverse effects on humans. Lead in paints especially poses danger to human health where it can cause damage to Central Nervous System, kidney and reproductive system. Children are more prone to lead poisoning leading to lower intelligence levels and memory loss.

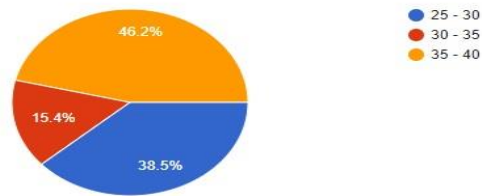
Forest & Environmental Ministry of India has ordered to retail outlets like Big Bazaar, More, Central, D-Mart etc that they could provide polythene carry bags to customers only if customers are ready for pay for it.

Data Analysis

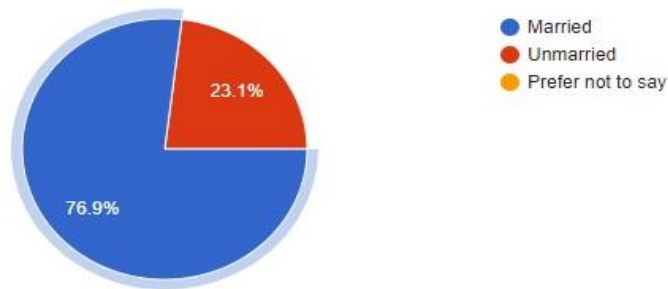
1. Gender of Respondents



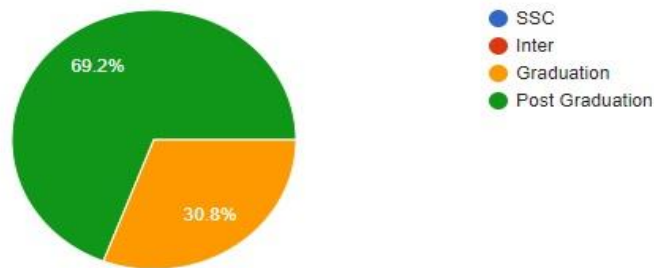
2 Age of Respondents



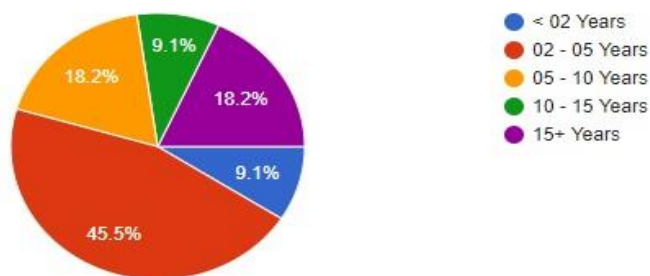
3. Marital Status of the Respondents



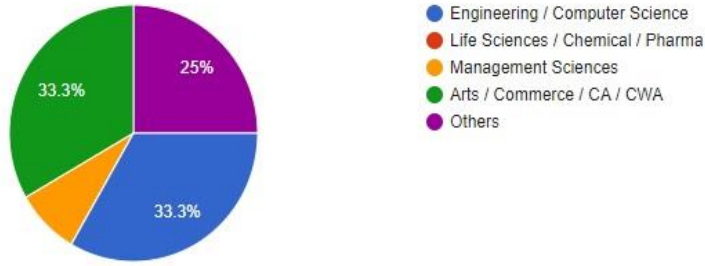
4. Educational Qualification



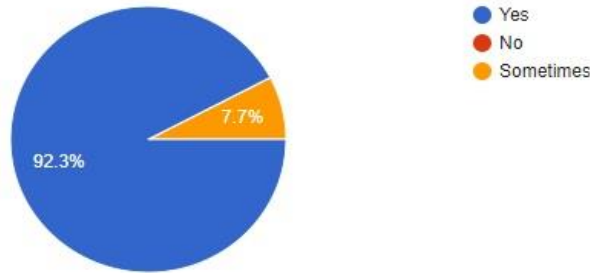
5. Years of Experience



6. Technical / Professional Specializations

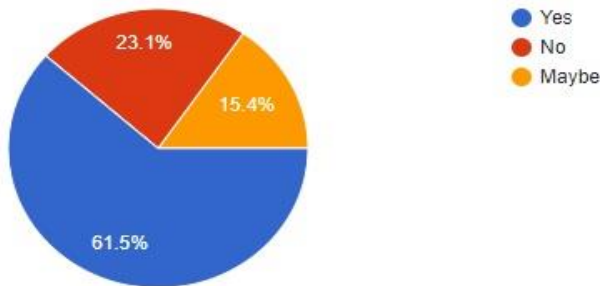


7. Involvement of respondents in purchase decisions of the family.



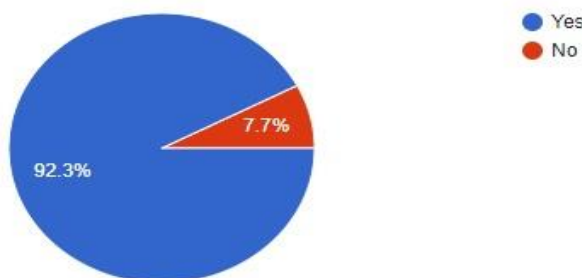
Thus we can interpret that 92.3% of the respondents take part in the purchase decisions of their family and only a small 7.7% do not take part in the purchase decisions.

8. Awareness of Green marketing strategies adopted



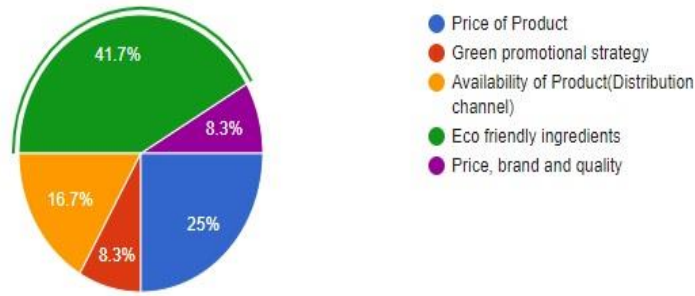
Thus we can interpret that 61.5% of the respondents are aware about the green marketing strategies adopted by marketers and only 23.1% are unaware as yet however there are 15.4% who are not sure about the green marketing strategies.

9. Use of environmentally friendly products



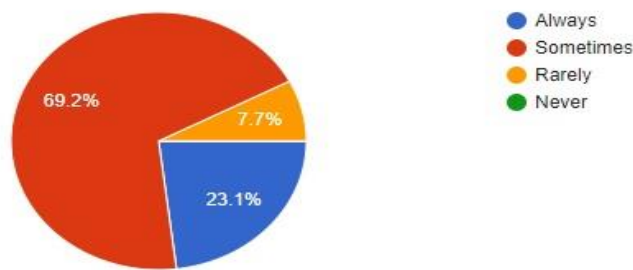
Environmentally friendly products are being used by majority of respondents 92.3%; however 7.7% do not use such products.

10. Factors that influence the purchase decision



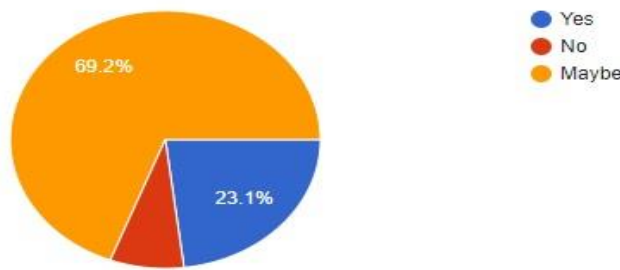
There are many factors that influence the purchase decision the most common is eco friendly ingredients 41.7%, price of the product was 25 %, the availability of the product was 16.7% the promotional strategy and the features of the product 8.3%.

11. How often an effort is made towards ethical buying of Eco friendly products?



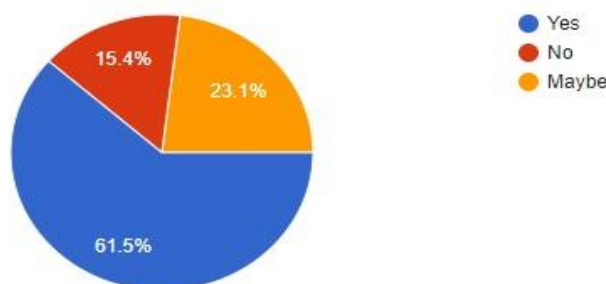
We can interpret that customers make an effort towards ethical buying of Eco friendly products in most cases only sometimes 69.2%, whereas 23.1% make the effort always, however 7.7% rarely make such an effort.

12. Companies claim of their products being environmentally friendly is justified?



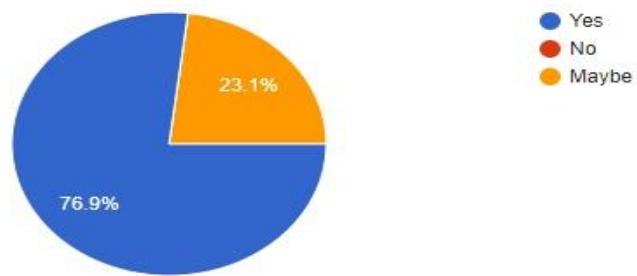
We find that 69.2% are not sure of the claim made by companies that their products are environmentally friendly, 23.1% are sure about the claim and very few don't agree to the claim.

13. Willingness to pay extra for Eco friendly products?



Thus we can interpret that 61.5% are ready to pay a higher price for eco friendly products and only 23.1% are unsure about this whereas only 15.4% are unwilling to pay a higher price.

14. Green Marketing Strategies would reduce the Carbon footprint?



Majority of the respondents i.e. 76.9% agree that Green Marketing Strategies would reduce the Carbon footprint and only 23.1% are unsure about it whereas there is none who disagrees to the same.

Findings & Suggestions

1. Most of the respondents are in the age group of 35-40 with 2-5 years of experience but they take active part in purchase decisions of their families and are very much aware about the Green marketing strategies adopted by marketers. So there is awareness among the young generation about the Green marketing strategies.
2. A large section of the respondents i.e. 92.3% are also using eco friendly products thus they are conscious about the environmental problem.
3. The generation Y is more conscious and studies the eco friendly product ingredients before making the purchase.41.7%
4. Many respondents consider the price of the product as an important factor that determines their purchase decision.25%
5. Most of the generation Y consumers make an effort only sometimes towards ethical buying of eco friendly products. Thus there is more need to create awareness and more initiatives are required to encourage the use of such products
6. Many Gen Y consumers are not sure that the claim of companies of their products being eco friendly are completely justified, thus the companies need to take steps to convince the young generation regarding their claims.
7. A relatively substantial segment of generation Y is convinced about the companies claims.
8. Surprisingly majority of the gen y 61.5% are ready to pay a higher price for such green products thus are more educated and concerned about the environment.
9. There is still a small segment that is not ready to pay a higher price for procuring green products. And thus the company needs to make more efforts towards green marketing.
10. The majority of gen Y is convinced that adoption of green marketing strategies would help reduce the carbon footprint of their products on the environment and reduce the effects of global warming.

Conclusion

Thus it has been concluded that Green marketing is the only solution to global warming and many companies are taking steps in this direction by adopting the 3R's strategies. The young generation i.e. Generation Y which is considered to be the future market for most companies is educated and makes a conscious effort in studying the green marketing strategies of various companies before purchase. They are ready to pay a higher price for such products as they understand that green marketing strategies come at a greater price. The Gen Y is ready to tackle the global warming issue and reduce its effects.

Thus companies are expected to realise that green marketing is mandatory for sustainability and for satisfying the generation Y.

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