

Green Purchase Behavior: An Exploratory Study

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Available online at www.isroset.org

Received: 30/Mar/2016

Revised: 18/Apr/2016

Accepted: 12/May/2016

Published: 30/Jun/2016

Abstract— Increasing environmental concern has evolved new relationships among consumer behaviour, marketing and the environment. Such relationship has been manifested in two ways: an increase in public awareness about environmental aspects, and an increase in the evidence of environmental responsibility or green marketing activities. Thus, the increase in environmental consciousness and concern seems to be a good incentive for decision-makers in the field of marketing to adopt new management practices. 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 itself or produced and/or packaged in an environmentally friendly way. The obvious assumption of green marketing is that potential consumers will view a product or service's "greenness" as a benefit and base their buying decision accordingly. The present study was an attempt to look into more about identifying dimensions of consumer segmentation on the basis of their perception towards green marketing issues and influence of age of consumers on their perception towards green marketing. This study concludes that consumers may be segmented on the basis of their perception towards green marketing practices. Further Age wise significant difference found for the Green Aware Consumers.

Keywords- Environmental concern, Green Marketing, Consumer Behavior, Factors

I. INTRODUCTION

Rapid industrialization, urbanization and over-consumption, and utilization of natural resources have adversely affected the environment. Excessive pollution level in the environment is now adversely affecting the ecological system of the earth and ultimately the living beings are the sufferers. The effect of ecological imbalances due to excessive environmental pollution is now being felt by phenomenon known as global warming. The increasing temperature of earth causing rapid melting of glaciers, increase in sea level, erratic rain pattern, increases in the frequency of draughts / floods, extinction of many plant and animal life etc. Thus, the sensitivity that our planet is reaching extremely high saturation levels of pollution that can endanger life on the earth has contributed to the emergence and growth of an environmental protection movement. There are various international agencies like UNEP (United Nations Environment Program), IPCC (Inter governmental Panel on Climate Change) are functioning to address the issue at international level by formulating guidelines, rules and regulations for controlling and reducing the level of pollution and global warming in phased manner.

Increasing environmental concern has evolved new relationships among consumer behaviour, marketing and the environment. Such relationship has been manifested in two ways: an increase in public awareness about environmental aspects, and an increase in the evidence of environmental

responsibility or green marketing activities. Thus, the increase in environmental consciousness and concern seems to be a good incentive for decision-makers in the field of marketing to adopt new management practices.

There are basically five reasons for which a marketer should go for the adoption of green marketing. They are -

- Competitive advantage or Opportunity
- Corporate social responsibility (CSR)
- Government pressure
- Competitive pressure
- Cost or profit issues

The present study is intended to explore the factors of environment friendly behavior of consumers.

II. LITERATURE REVIEW

Researchers have studied green marketing from various perspective mainly related to the efforts of operational efficiency improvement caused by government intervention- rules and regulations, various initiatives taken by business firms and from customers perspective for green marketing.

Green marketing is defined by Polonsky 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"[1]. Peattie has defined

Green Marketing as “the holistic management process responsible for identifying and satisfying the requirements of customers and society, in a profitable and sustainable way”[2]. Green marketing can be viewed both as a type of marketing and a marketing philosophy [3]

Green or environmentally friendly products are broadly defined as products that will not pollute the earth or deplete natural resources, and can be recycled or conserved [4]. As a result of the increasing number of green consumers, marketers are targeting the green segment of the population. Recycled paper and plastic nmental appeal [5]. Marketers are also incorporating the envirogoods and dolphin-safe tuna are examples of products positioned on the basis of environment into many marketing activities, including product and package design [6],[7] and pricing [8] . Marketers have even gone as far as to develop specific models for the development of green advertising and green marketing strategy [10], [11].

Initiatives taken by business firms to establish their green credentials range from repositioning of existing products without changing product composition [12], to modifying existing products to be less environmentally harmful [13], creating profitable new or improved products and packages that balance consumers’ needs with environmental considerations, modifying the entire corporate culture to ensure that environmental issues are integrated into all operational aspects [10]; and setting up new business firms that target green consumers and exclusively produce green products .

Environmental concern has been traditionally viewed as a unidimensional construct ranging from unconcerned about the environment at the low end to concerned at the high end, as measured by the new environmental paradigm (NEP) [14]. On the other hand, Schultz proposed that environmental concerns have three correlated factors: concern for the self (egoistic), other people (altruistic) and the biosphere (biospheric) [15].

III. OBJECTIVES

- To identify factors of Green purchase behavior
- To Analyze the Age Effect of Consumer green purchase behavior

IV. RESEARCH METHODOLOGY

Type of Research: Exploratory in nature

Type of Sampling: Convenient Judgmental sampling

Sample size: 148

Tools for data collection: Self- structured Questionnaire, respondents were asked to rate statements on a 1-5point scale (1= strongly disagree to 5= strongly agree)

Scope of the study: Indore and Ujjain City of Madhya Pradesh.

Duration of study: October-November 2015

Tools used- Factor Analysis, Independent Sample T test.

V. HYPOTHESES

Following hypotheses were stated and tested at 5% level of significance

H₁ Age wise there is significant difference in Green Aware Consumers Behavior.

H₂ Age wise there is significant difference in Rationalize Consumers Behavior.

H₃ Age wise there is significant difference in Green Proactive Consumers Behavior.

VI. RESULTS AND DISCUSSION

Exploratory factor analysis with Principal Component Analysis and Varimax rotation with Kaiser Normalization extracted three components- **Green Aware Consumers, Rationalize Consumers; Green Proactive Consumers**. It is exhibited in Table 1 that, Age wise there were significant difference in the perceptions of Green Aware Consumers. It means with advancement in their age consumers grow more confident in believing that environment influence on green practices. Hence hypothesis **H₁** not rejected. However hypotheses **H₂** and **H₃** were rejected as there were no significant differences found in perceptions of Rationalize Consumers behavior and Green Proactive Consumers behavior of different age group of respondents.

Table 2 indicates that consumer awareness towards environment concerns varies with age and the trend shown that with advancement in their age, level of awareness towards environment concerns increases. It was found that higher age group consumers were more consistent in their opinion that they were more aware about green marketing practices than the lower age group of consumers. Rationalize consumers who believe that system must work for implementing green marketing practices also varied in their perception with age. Consumers below age group of 21 years were perceived the importance of system in green marketing practices with wide variation. This shows that some respondents of this age group believes that green marketing practices can be implemented by developing system such as government regulations where as others believes that consumers may play a vital role in facilitating green marketing practices. Consumers of age group 21 to 35 years were more consistent in their opinion that government institutions as well as the manufacturers and service providers have to build confidence in consumers for promises made of their green products and services. Higher age group of consumers have shown relatively more concerns for environment and they are more eco friendly as they were willing to pay more prices for eco friendly products and services.

VII. CONCLUSION

The present study was an attempt to look into more about identifying dimensions of consumer segmentation on the basis of their perception towards green marketing issues and influence of age of consumers on their perception towards green marketing. This study concludes that consumers may be segmented on the basis of their perception towards green marketing practices. Further Age wise significant difference found for the Green Aware Consumers. Findings of the study revealed that with advancement in their age consumers become more consistent and certain about the environmental concerns and influences upon purchasing product, awareness about green idea, and favorable response of eco-friendly attributes in product repositioning, usage of biodegradable products and recommendation of eco-friendly products for further use. Marketers can formulate segmentation strategy in favor of their product and services by adopting and communicating green marketing issues aiming at creation of broader awareness towards environmental concerns and green marketing among consumers. So that consumers will be willing to pay more for green products than they would for a less-green comparable alternative product.

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AUTHOR PROFILE

Dr. Rajeev Kumar Shukla is the Head of Shri Vaishnav School of Business Management. He has a rich blend experience of both Industries and Academics. He extended his services in product and quality control along with operation management to the industrial world for 15 years. He started his career as process engineer at Grasim Industries Ltd. and then worked as Manager (polyester chips plant) at Shree Synthetics Ltd. He is a certified Energy Manager (EM) and Energy Auditor (EA) from BEE (Bureau of Energy Efficiency), Ministry of Power, Govt. of India. Four candidates have been awarded Ph.D. in management under his supervision from Devi Ahilya Vishwavidyalaya, Indore and six candidates are presently registered for Ph.D. He also organized and designed FDP and EDP programs for faculty and executive development and guided over 200 MBA Research Projects. He has quality and empirical research papers in his credit. He has attended over 60 Seminars/Workshops/Conferences and has published nearly 100 research papers. He presented research papers at IMT DUBAI and at University of Kelaniya, Colombo. His current research interest is in Consumer Behavior and Operations management.



Table 1 Age wise ANOVA for perceptions of consumers

		Sum of Squares	df	Mean Square	F	Sig.
Environmentally Aware Consumers	Between Groups	6.818	2	3.409	4.384	.018
	Within Groups	35.768	144	.778		
	Total	42.586	146			
Skeptic Consumers	Between Groups	2.947	2	1.474	1.269	.291
	Within Groups	53.433	144	1.162		
	Total	56.380	146			
Eco friendly Consumers	Between Groups	.968	2	.484	.450	.640
	Within Groups	49.432	144	1.075		
	Total	50.400	146			

Table 2 Age wise Mean and Standard Deviation for factors, as perceived by consumers

	Age	Mean	SD
Green Aware Consumers	<21	4.1333	1.94022
	21-35	5.5364	0.80219
	>35	6.2667	0.75425
Rationalize Consumers	<21	3.9444	2.44002
	21-35	4.9242	0.93969
	>35	4.5	1.88562
Green Proactive Consumers	<21	3.9333	1.41892
	21-35	4.4818	1.01644
	>35	4.7	0.98995