



## Consumer Perception And Green Marketing Impression On Fmcg Sector- An Empirical Study In Krishnagiri District, Tamilnadu

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### ABSTRACT

*The growing social and regulatory concerns for the environment lead an increasing number of companies to consider green issues as a major source of strategic change. In particular, this trend has major and complex implications on the technological strategy of a company and on its product innovations. Even though it is increased eco-awareness of Krishnagiri District customers during the past few decades, there are some barriers to the diffusions of more ecologically oriented consumption and production styles. Therefore, companies are increasingly recognizing the importance of green marketing concepts.*

*The purpose of study was to investigate the consumer attitudes and perceptions towards eco- friendly products in FMCG sector and their willingness to pay on green products. This study was based on both primary and secondary data. The primary data were collected from the sample survey that was conducted in Krishnagiri District, Tamilnadu. 160 respondents were selected for the survey and respondents were asked to answer the prepared questionnaire. The questionnaire was designed to obtain the consumers attitudes and perception regarding eco-friendly FMCG products under four value added areas such as product designing, packaging, place and promotion that lead towards the motivation of consumption. The secondary data were collected from relevant journals, books and other published data.*

*The study revealed that the green products have substantial awareness among Krishnagiri District customers and they are willing to pay something more on green products. The majority of customers considered that package is most important element of such products. The researchers have recommended some marketing strategies to meet changing mind set of customers towards the green products.*

**Keywords :Green products, FMCG, Attitudes, Eco awareness, value addition**

### INTRODUCTION

Whole World is identifying the need of the Green Marketing, Environmental Marketing and Ecological marketing which gives the same meaning to the research area. Although environmental issues influence on all most all activities in our day today lives, there were only few academic disciplines have discussed green issues in Krishnagiri market context. Especially from Krishnagiri District business discipline, FMCG sector is a considerably large sector in the economy which has to open their eyes on eco friendliness. As society becomes more complex with the environmental pollution and unethical business practices, now both consumers and business organizations are concerned with the natural environment. So businesses have begun to modify their behavior in an attempt to address this society's "new" concerns. The FMCG sector is one of growing industry that concern about the green marketing issues. Most of marketing practitioners are using green elements as powerful marketing tools. In this context, this study focus on examine the consumer attractiveness towards green products of FMCG Sector.

### OBJECTIVE

The Main objectives of the study are,

- To investigate the consumer attractiveness towards eco-friendly products in FMCG sector and their impact of purchasing decision.
- To evaluate consumer attitudes and perception regarding eco-friendly FMCG products under four value-added areas such as product, package, place and promotion that lead towards the motivation of consumption.

### LITERATURE REVIEW

While green marketing came into prominence in the late 1980s and early 1990s, it was first discussed much earlier. The American Marketing Association (AMA) held the first

workshop on "Ecological Marketing" in 1975. The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing" (Henion and Kinnear 1976a). Since that time a number of other books on the topic have been published (Coddington 1993, and Ottman 1993). Green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. (Polonsky, 1994) World-wide evidence indicates people are concerned about the environment and are changing their behavior accordingly. As a result there is a growing market for sustainable and socially responsible products and services. (Environmental protection agency -2000) Green consumerism is often discussed as a form of 'pro-social' consumer behavior (Wiener and Doeshner, 1991). Hopes for green products also have been hurt by the perception that such products are of lower quality or don't really deliver on their environmental promises. And yet the news isn't all bad, as the growing number of people willing to pay a premium for green products — from organic foods to energy-efficient appliances — attests. (D'Souza et al. 2004) Green or Environmental Marketing consists of 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.

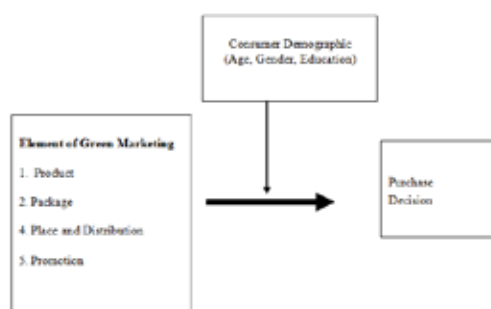
Owing to the conceptual and moral complexity of 'ecologically responsible consumer behavior' and to the perplexity of ecological information, different consumers have different conceptions of ecologically oriented consumer behavior and, thus, myriad ways of acting out their primary motivation for being green consumers (Antil, 1984). These innovations aren't being pursued simply to reduce package waste. (Prothero, 1990) Food manufacturers also want to improve food

preservation to enhance the taste and freshness of their products. The cost of the foods would be lower; consumers could enjoy the convenience of pre-sliced ingredients, and waste peelings (Prothero, 1990). It can be assumed that firms marketing goods with environmental characteristics will have a competitive advantage over firms marketing non-environmentally responsible alternatives. There are numerous examples of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer needs. (Schwepker, and Cornwell, 1991) While governmental regulation is designed to give consumers the opportunity to make better decisions or to motivate them to be more environmentally responsible, there is difficulty in establishing policies that will address all environmental issues. (Schwepker, and Cornwell, 1991). Hence, environment-friendly consumption may be characterized as highly a complex form of consumer behavior, both intellectually and morally as well as in practice.

**CONCEPTUALIZATION**

In conceptualizing the study, researchers have attempted to build relationship between key variables of green marketing i.e., product, package, distribution and promotion (independent variables) and customer buying decision (dependent variable). Those relationships can be varied according to the demographic variables. Therefore demographic factors were considered as intervene variable of the conceptual framework.

**Figure 01. Conceptual Model**



According to the literature and pilot study in Hosur supermarkets, researchers recognized that marketers can use different tools relating to independent variables in order to determine the effectiveness of green marketing practices. It is also necessary to examine the relationship between two key variables and other variables influenced on dependent variable. This would enable the researchers to interpret the findings in a more comprehensive manner. The conceptual model that has been developed indicating their relationship (Figure 01)

**METHODOLOGY**

As a matter of fact, this study is almost an empirical one. So, as far as possible and attempt was made to gather primary data. In that context, a detailed questionnaire was administered. Meanwhile personal interviews and observations were also made. In order to ensure an acceptable number of responses, a convenience sample was used. Data were collected through the self administrated questionnaires by the researchers them selves and trained field assistants. Researcher selected the sample using combination of convenience and simple random sampling method. Secondary data were collected by website published articles, newspapers, relevant journals etc. The sample was employed 160 respondents from Krishnagiri District, Tamilnadu. Respondent category comprised with College students, academic staffs, office workers, housewives, business people and managers of several companies those who have much exposure to the FMCG category and who represent the Krishnagiri customers. The sample size is also enough to generalize findings to the Krishnagiri District context.

**Table 01: Sample Profile**

Geographical Area	Number of Respondents
Hosur	62
Krishnagiri	52
Denkanikotta	46
Total	160

**FINDINGS AND DISCUSSIONS**

Many firms and customers are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion. This translates into firms that believe they must achieve environmental objectives as well as profit related objectives. This results in environmental issues being integrated into the firm's corporate culture. All most all in the sample generally want to do the right thing, so the challenge and opportunity for the green marketer is to make it easy for people to do so.

**Green marketing elements and Purchasing decisions**

Researchers observe the type of mean variances between each of the independent variables and the purchase decision of the consumers. Table 01 shows the correlation of each of the concepts, namely product, package, price, place and promotion and how each of those variables correlates to the purchase decision of FMCG products.

**Table 02: Degree of relationship between testable variables**

Product	purchase decision	.612
Package	purchase decision	.510
Place/ Distribution	purchase decision	.212
Promotion	purchase decision	.428

Correlation is significant at the 0.01 level (2-tailed).

As per the study, in the above table variables classified independent variables into variable -1 category and dependent variable purchase decision into variable-2. The above analysis clearly shows that environment friendly products and packages make the significant impact of customer buying decisions. The marketing communication with the environment friendly product information will also significantly impact on the buying decisions.

**Comparisons of Means of elements of green marketing against the demography**

This study focused on the green marketing strategy and consumer buying decisions. The main objective of this study was to examine the influence emerged from green marketing strategy for consumer's buying decisions of FMCG sector in Krishnagiri. The finding shows that influence emerged from green marketing strategies on consumer's buying decisions is strong. The mean value of green marketing elements is 23.25. It is represented in strongly influenced score category (22-30). Mode and median values are 24.00 and 23.80 respectively (See Annexure 02).

**Customer attractiveness for green marketing elements Based on Demographic Variables.**

Another important finding was that all variables of green marketing elements are having more responses for the all age categories, gender, and education levels. That means except any demographic difference, customers are considering green marketing as the important factor in their store choice decisions.

The findings show that both 18 – 30 and 31 -50-aged customers highly consider eco-friendly packaging as the most important variable in their buying decisions of each product categories. However, 32 of 18 – 30 aged customers selected eco friendly package as the most important variable and 16 customers have selected green promotion as main variable. In addition, only 04 respondents have indicated that they

consider distribution function as important variables for their decisions.

The sample consists of 90 male customers and 70 female customers. A cross analysis was made in order to identify the relative importance of green marketing variables relating to the gender basis. Most of the male customers (37 respondents) consider eco friendly packaging as the most importance factor in selecting green products. However, most of female customers gave priority to green feature of in their selection. The both genders gave their next priority to promotion.

This section focused on analyzing relative importance of green marketing variables under different education levels. The sample mainly consists of 62 graduates, 30 professionally qualified individuals and 44 customers who have completed secondary education (A/L passed). Generally, graduates, postgraduates and A/L passed customers have given first priority to green feature of products. In the same time, they have indicated eco-friendly packaging is highly considered in selecting specific supermarket outlet. Most of the professionally qualified customers have selected eco-friendly packaging as important variables in selecting the green products in the FMCG category.

#### **CONCLUSION AND RESEARCHERS' RECOMMENDATIONS**

Though consumers are willing to purchase green products, many business organizations still in behind the need of the eco-friendly society. The authors suggest business organizations to follow strategies in order to get benefits from the environmentally friendly approach as green marketing offers business incentives and growth opportunities while it may involve start-up costs, it will save money in the long term. Therefore, in the product strategy, marketers can identify customers' environmental needs and develop products to address this issue, produce more environmentally responsible packages. (Recycle, biodegradable, reuse), and ensure that products meet or exceed the quality expectations of customers. In addition to that marketer can charge high price with highlighting eco friendliness of the products. In the case of distribution, obtaining dealer support to green marketing practice is essential. And also, the location must differentiate from competitors and it can achieve by in-store promotions and displays by using recycled materials to emphasize the environmental and other benefits. Finally, organization can reinforce environmental credibility by using sustainable marketing and communications such as public relations and creative advertising associated with green issues in Krishnagiri District.