



A Study of Consumer Attitude and Awareness towards Green Marketing and Green Branding

KEYWORDS

Green Marketing, Process improvement, awareness, Green Branding, Competitive Advantage.

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ABSTRACT

Green marketing is a phenomenon which has gained momentum in the modern world and has emerged as an important concept in India along with the developed nations, and is seen as an important strategy of facilitating sustainable development with the scope of improvement in production processes. Some firms have been fast to accept the newer challenges or changes like environmental management, minimization of the waste aligning with organizational activities. To be successful in applying green marketing strategy, it should not forget attitude of consumers towards green marketing. A questionnaire was developed and distributed to consumers to get their response. The technique used is convenience sampling. The sample consists of 180 respondents. The paper describes the current Scenario of Indian market and explores the challenges and opportunities businesses have with green marketing. The outcome of this paper may trigger the minds of marketer to give a thought for adopting the suitable strategies which will give them a way to overcome major problems associated with regular marketing techniques and make a shift to green marketing. Eventually the marketers can save a lot on overhead costs and associated entities in the market. Keeping this thing in mind this paper is an attempt to understand awareness of consumers' towards green marketing and green branding along with exploring the concept of green marketing.

INTRODUCTION

According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. It incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Yet defining green marketing is not a simple task where several meanings intersect and contradict each other. An example of this will be the existence of varying social, environmental and retail definitions attached to this term. Other similar terms used are environmental marketing and ecological marketing (wikipedia.org)

Thus "Green Marketing" refers to holistic marketing concept wherein the production, marketing consumption and disposal of products and services happen in a manner that is less detrimental to the environment with growing awareness about the implications of global warming, nonbiodegradable solid waste, harmful impact of pollutants etc., both marketers and consumers are becoming.

Polonsky (1994) defines green marketing 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.

An important rule in marketing green products is to minimize the sacrifices that consumers must make in order to buy and use 'green' products. Improvements must be substantive, and if possible backed by hard facts.

Meaning of Green Marketing

It is believed that green marketing refers solely to the promotion or advertising of products which are with environmental friendly. Terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and Environmentally Friendly are some of the expressions consumers most frequently associate with green marketing. In reality green marketing is a much wider concept, one that can be applied to consumer goods, industrial goods and even services

We can say that green marketing accommodates a wide range of activities, including product modification, improvements to the production process, packaging enhancements, as well as modifying advertising to suit the concept. 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 then a number of other books on the title have been published [Charter 1992, Coddington 1993, Ottman 1993].

The AMA workshop attempted to bring together academics, practitioners, and public policy makers to examine marketing's impact on the natural environment. At this workshop ecological marketing was defined as: "the study of the positive and negative aspects of marketing activities on pollution, energy depletion and non energy resource depletion." [Henion and Kinnear 1976b, 1]

This definition has three key components,

1. Green marketing is a subset of the overall marketing activity;
2. Green marketing investigates both the positive and negative activities; and
3. Green marketing encompasses a narrow range of environmental issues.

Before proceeding further it should be emphasised that no one definition or terminology has been universally accepted. The said lack of consistency is a large chunk of the problem, for how can an issue be evaluated if all scholars and researchers have a different way of defining green marketing. The following definition is much broader than those of other researchers and it encompasses all major components of other definitions. The definition is:

"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." [Polonsky 1994b, 2]

Evolution of Green Marketing

The green marketing has evolved over a period of time. As per Peattie (2001), the evolution of green marketing has three phases. First phase was called as "Ecological" green marketing, and this is the phase where all marketing activities were concerned to help environment problems and provide solution for environmental problems. Second phase was "Environmental" green marketing and the focus shifted on clean technology that involved designing of innovative new products, which take care of pollution and waste issues. Third phase was "Sustainable" green marketing. It came into prominence in the late 1990s and early 2000.

Customer Satisfaction and Green Marketing

Customer satisfaction can be characterised in two basic ways: as either an outcome or as a process. As an outcome, it refers to satisfying the end state resulting from the consumption experience and 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
- Satisfaction with pre-purchase experience.

Marketing literature suggests that there is a relationship between customer satisfaction and loyalty. Satisfaction leads to attitudinal loyalty. It could be seen as the intension to purchase. Satisfaction is an outcome that occurs without comparing expectations. Customer satisfaction could also be defined as an evaluative response to perceived outcome of a particular consumption experience. It is an overall judgment on satisfaction, based on the assumption that satisfaction is the outcome of service quality. 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.

Reasons to go for Green Marketing

Generally, the following six reasons are cited for which a marketer should go for the practice of green marketing:

1. Competitive advantage (perceived as a different and eco friendly product by the consumers)
2. Social ethics
3. Policy pressure from Government
4. Pressure from competitors
5. Cost advantage
6. Profitable venture

Literature Review

Ginsberg, J.M. & Bloom, P.N. (2004) in his article, "Choosing the Right Green-Marketing Strategy", stated that Green marketing has not lived up to the hopes and dreams of many managers and activists. Although public opinion polls consistently show that consumers prefer to choose a green product over less eco-friendly to the environment when all other things are equal, those "other things" are rarely equal in the minds of consumers. It concludes that it is to be always keep in mind that consumers are not willing to compromise on traditional product attributes, such as conveni-

ence, availability, price, quality and performance. Rather it is important to understand, however, that there is no single green-marketing strategy that is right for every firm. It is suggested that companies should follow one of four strategies, depending on market and competitive conditions, from the relatively passive and silent "lean green" approach to the more aggressive and visible "extreme green" approach - with "defensive green" and "shaded green" in between. Business personnel's who understand these strategies and the beneath underlying reasoning behind them will be better prepared to help their firms benefit from an eco-friendly approach to marketing.

The study by Ottaman, (1993) and Ken Peattie, (1993) examines and found that conventional marketing is out and green marketing is in. In the developed countries, the emergence of environmental consciousness that followed Earth Day in 1990 washed over the marketplace rapidly. In poll after poll, consumers claim they are willing to change their buying habits - and even pay more for products - to protect the environment (Pearce, 1990; Coddington, 1993; Davis, 1993; McDougall, 1993; Ottoman, 1993).

Another study by John Grant (2008) aims to look at how companies obtain a greener strategy and what is the future of green marketing.

A study by Vasanthkumar N. Bhat (1993) suggests as inputs, manufacturing processes, distribution, use and disposal methods are decided during the design stage, hence company going out with a green marketing program must start with green design. Also concluded source reduction and waste management strategies to cut down wastes, and also emphasize a method to compare green design alternatives which can provide designers with guidance to select superior designs. As a product must meet several criteria, suggests a concurrent rather than sequential product development approach. Concludes with tips for top management to improve green design in their organizations.

A study by Elham Rahbar (et al , 2011) proposes to determine the effect of green marketing tools on consumer's actual purchase behaviour in case of Penang (Malaysia). A survey was carried out on 250 Chinese, Malasian, Indian and other races that represent the Penang population. Factor analysis, Cronbach alpha and multiple regressions were used to identify factors impact on Penang consumers actual purchase behaviour. The result revealed that customer's trust in eco-label and eco-brand and their perception of eco-brand show positive and significant impact on their actual purchase behaviour.

In the study by Elkington (1994: 93) ,defines green consumer as one who avoids products that are likely to endanger the health of the consumer or others; cause significant damage to the environment during manufacture, use or disposal; consume a disproportionate amount of energy; cause unnecessary waste; use materials derived from threatened species or environments; involve unnecessary use of, or cruelty to animals; adversely affect other countries. According to the Joel makeover (a writer, speaker and strategist on clean technology and green marketing), green marketing faces a lot of challenges because of lack of standards and public consensus to what constitutes "Green". According to Peattie (2001), the evolution of green marketing has three phases. First phase was termed as "Ecological" green marketing, and during this period all marketing activities were concerned to help environment problems and provide remedies for environmental problems. Second phase was "Environmental" green marketing and the focus shifted on clean technology that involved designing of innovative new products, which take care of pollution and waste issues. Third phase was "Sustainable" green marketing. It came into prominence in the late 1990s and early 2000. Green marketing is a vital constituent of the holistic marketing concept. It is particularly applicable to businesses that are directly dependent on the physical

environment; for example, industries like fishing, processed foods, and tourism and adventure sports. Changes in the physical environment may pose a threat to such industries. Many global players in diverse businesses are now successfully implementing green marketing practices.

Objectives

- To study the extent of awareness of consumers pertaining to green marketing leading to customer satisfaction;
- To study the attitude of consumers in regard to green branding.

Research Methodology

The method used is descriptive wherein have used structured questionnaire and a five point balanced likert scale for measuring consumer awareness and attitude towards green marketing and green branding. Primary data was collected from respondents of New Delhi through a questionnaire designed for a sample of 180 respondents by using the convenience sampling like mall intercepts corporate hubs etc. Random sampling method was adopted by the researcher and selected the samples from New Delhi region representing both the genders, different age groups, education level, marital status and monthly income. The data collected from the respondents are coded, tabulated and analyzed into logical statements using factor analysis SPSS 19.0. Secondary data was collected from the available literature, journals and web search wherever necessary. The Questionnaire method was chosen for its versatility speed and cost benefits.

Data Analysis and Interpretation

Table 1 depicts the demographic information about the respondents which reveals that 55% of the respondents were under the age group of 20-30, 27% of the respondents come under 30-40 and 18% of respondents were above 40 years of age.

Age	%
20-30	55
30-40	27
Above 30	18
Gender	
Male	62
Female	38
Occupation	
Students	29
Professional	47
Businessmen	24
Monthly Income	
20,000-30000	22
30001-40000	31
Above 40001	47

Factor analysis was carried out to reduce the density of the total questionnaire, on top of minimizing the occurrence of shared variance of measured variables used. Whilst, reliability test that utilized Cronbach's alpha coefficient test is carried out in order to remove any cross-loading of items that were present in the questionnaires, with the objective of ensuring the internal consistency of the questionnaire. The results of the two tests are assembled and presented in table 2.

The captured data was run in SPSS 19.0 window which shows that Kaiser-Meyer-Olkin (KMO) measure of sampling Adequacy was 0.935 which is greater than 0.005 (data below). This suggests that the data is adequate for factor analysis and indicates a strong correlations of the data used in the study. The Bartlett's Test of sphericity suggests that there are very low chances of obtaining the result of the null hypothesis as true. Hence we reject the null hypothesis and accept the alternative hypothesis i.e. attributes are correlated with the population. The significance value of .000 also tells us that there is a correlation of variables with each other

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.935
Bartlett's Test of Sphericity	Approx. Chi-Square	8272
	df	171
	Sig.	0.000

Table 3 shows the table of communalities before and after. The communalities in the column labelled Extraction reflect the common variance in the data structure. 94.6% of the variance associated with question 1 is common, or shared, variance.

Table 3 : Communalities

	Initial	Extraction
Consumer Awareness		
Belief in green Marketing concept	1	0.946
Aware of firms going green	1	0.792
understand the advantages of green products in a firm	1	0.731
Belief that the regular marketing techniques harm the environment	1	0.961
Work Schedule of employees affect the adoption of Green Marketing by the firm	1	0.943
Existence of concept is old but not implemented by many firms	1	0.923
Enhanced Productivity can be achieved with green marketing	1	0.967
Firms reluctant to adopt	1	0.952
Difficult to implement for firms	1	0.966
Requirement of Intensive investment by firms	1	0.907
Government pressure required	1	0.963
All are equally responsible for success	1	0.962
Green marketing is just an old concept	1	0.452
Consumer Attitude		
Familiarity with green brand	1	0.972
Eager to know about green branding	1	0.699
Green marketing is more effective than regular marketing	1	0.916
Belief of complete green marketing conditions throughout the world	1	0.965
Transition is quite difficult in India	1	0.904

Felt importance of green branding	1	0.947
Extraction Method: Principal Component Analysis.		

Table 4, labelled Total Variance Explained lists the eigen values associated with each factor

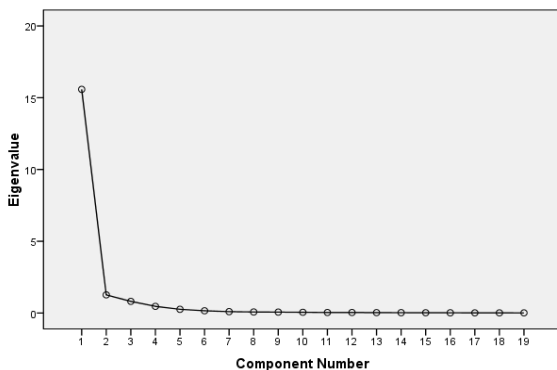
before extraction, after extraction and after rotation. Before extraction, it has identified 19 linear components within the data set. The eigen values associated with each factor represent the variance explained by that particular linear component and the table also displays the eigen value in terms of the percentage of variance explained (factor 1 explains 82.01

% of total variance). It should be clear that the first few factors explain relatively large amounts of variance (especially factor 1) whereas subsequent factors explain only small amount of variance. The table extracts all factors with eigen values greater than 1, which leaves us with nine factors. In the final part of the table, the eigen values of the factors after rotation are displayed. Rotation has the effect of optimizing the factor structure and one consequence for these data is that the relative importance of the nine factors is equalize. Before rotation, factor 1 accounted for considerably more variance than the remaining (82.01% and 66.43%) however after extraction it accounts for only 57.22% and 31.43% respectively).

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	15.583	82.017	82.017	15.583	82.017	82.017	10.873	57.228	57.228
2	1.262	6.643	88.659	1.262	66.43	88.659	5.972	31.432	88.659
3	0.812	4.271	92.931						
4	0.465	2.449	95.38						
5	0.258	1.36	96.74						
6	0.155	0.816	97.556						
7	0.095	0.502	98.058						
8	0.072	0.377	98.435						
9	0.065	0.34	98.775						
10	0.05	0.265	99.04						
11	0.037	0.193	99.232						
12	0.033	0.174	99.407						
13	0.026	0.138	99.545						
14	0.022	0.114	99.659						
15	0.02	0.106	99.765						
16	0.016	0.083	99.849						
17	0.012	0.062	99.911						
18	0.009	0.046	99.957						
19	0.008	0.043	100						

Extraction Method: Principal Component Analysis.

Scree Plot



The scree plot as shown above with a thunderbolt indicates the point of inflexion on the curve. This curve is difficult to interpret because the curve beginning to tail off after two factors. Therefore, it is justified to retain two factors.

Table 5, labelled Rotated Component Matrix, as above, contains the same information as the component matrix is calculated after rotation. Factor loadings less than 0.4 have not been displayed because below that that loading to be suppressed

	Component	
	1	2
Consumer Awakeness		
Belief in green Marketing concept	0.835	0.5
Aware of firms going green	0.818	
understand the advantages of green products in a firm	0.431	0.739
Belief that the regular marketing techniques harm the environment	0.901	
Work Schedule of employees affect the adoption of Green Marketing by the firm	0.731	0.64

Existence of concept is old but not implemented by many firms	0.854	0.414
Enhanced Productivity can be achieved with green marketing	0.935	
Firms reluctant to adopt	0.742	0.634
Difficult to implement for firms	0.916	
Requirement of Intensive investment by firms	0.775	0.553
Government pressure required	0.914	
All are equally responsible for success	0.896	
Green marketing is just an old concept	0.457	0.493
Consumer Attitude		
Familiarity with green brand	0.918	
Eager to know about green branding	0.622	0.558
Green marketing is more effective than regular marketing	0.482	0.827
Belief of complete green marketing conditions throughout the world	0.653	0.734
Transition is quite difficult in India		0.943
Felt importance of green branding	0.795	0.561
Extraction Method: Principal Component Analysis.		
Rotation Method: Varimax with Kaiser Normalization.		
a. Rotation converged in 3 iterations.		

Component 1: The rotated matrix has revealed that respondents have perceived these factors to be the most important factors with the highest explained variance of 57.22%. Eighteen out of 19 variables load on significantly to this component, which includes belief in green Marketing concept, Aware of firms going green, understand the advantages of green products in a firm, Belief that the regular marketing techniques harm the environment, Work Schedule of employees affect the adoption of Green Marketing by the firm, Existence of concept is old but not implemented by many firms, Enhanced Productivity can be achieved with green marketing, Firms reluctant to adopt, Difficult to implement for firms, Requirement of Intensive investment by firms, Government pressure required, All are equally responsible for success, Green marketing is just an old concept, Familiarity with green brand, Eager to know about green branding, Green marketing is more effective than regular marketing, Belief of complete green marketing conditions throughout the world and Felt importance of green branding

Component 2: The rotated matrix has revealed that respondents have perceived these factors to be the most important

factors with the highest explained variance of 31.432%. Twelve out of 19 variables load on significantly to this component, which includes belief in green Marketing concept, understand the advantages of green products in a firm, Work Schedule of employees affect the adoption of Green Marketing by the firm, Existence of concept is old but not implemented by many firms, Firms reluctant to adopt, Requirement of Intensive investment by firms, Green marketing is just an old concept, Eager to know about green branding, Green marketing is more effective than regular marketing, Belief of complete green marketing conditions throughout the world, transition is quite difficult in India and felt importance of green branding.

Findings and Conclusions

Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. Marketers need to change their perception about the consumers that they may not pay premium price for eco-friendly products. Marketers have to find an opportunity to endow their product's performance and strengthen their customer's loyalty and still command a higher price. Green marketing is still in its initial phase and a lot of research is to be done on green marketing to fully explore its potential. Consumers have shown build up consciousness about the concept of green marketing and companies going green. Also, consumers are well aware of the fact that the productivity of companies can be drastically improved through improved processes. People are aware of green environment because it is less detrimental to the environment and companies can look into implementation of this concept for betterment of business. From the results of data analysis given in tables we can infer that the pressure of government plays an important role in green marketing. It is believed that all are equally responsible for green marketing. As per consumers it is difficult for the firms to implement green marketing. Environmental education refers to organized efforts to teach about how natural environments function and particularly how human beings can manage their behaviour and ecosystems in order to live sustainably.

The other section of the study which was investigating the green branding observed that consumers strongly expressed that they are familiar with green brand and shown interest to know more about green branding. In India, at present situation is concerned the transition from regular marketing to green brand is difficult. Most of the consumers realize the importance of green branding which means that there is a positive sign for betterment of the environment as well as for business.

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