

Consumer Perceptions of Green Products:anindian Current Scenario



Commerce

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ABSTRACT

Given the background, where there is a need to move away from the business-as-usual products and have more green products in Indian markets and there is distinct interest amongst the consumers to buy green products, it is imperative to assess the perception of the customers on the environmental attributes of products as well as to understand the barriers perceived in acceptance of green products. Consumer's concern about the environment has been on the rise in India. The consumption at individual level has an impact on the environment at large. In a country like India with such large population, every consumer has a potential to mitigate the adverse impacts on the environment by changing their consumption behaviour.

INTRODUCTION

The four decades post-independence, India pursued socialist planning and free enterprise policies which lead to a degree of industrialization and modernization. The real household disposable income has more than doubled since 1985. With the rise in income, consumption patterns have changed and a new middle class has emerged, which is growing at a fast pace. According to Asian Development Bank estimates, India's middle class will explode over the next four decades, increasing to 1.2 billion by 2030 and 1.4 billion by 2050. This middle class has emerged as the predominant consumer in India. With the rise in income of the middle class, consumption patterns have changed. In 2007, a study predicted that with India's high growth path, the income levels will triple in the next two decades. This is expected to move India from its position as the twelfth- largest consumer market today to become the world's fifth-largest consumer market by 2025. The study also forecasted that the middle class will account for 59 percent of the country's total consumption by 2025.

The manufacturing technology adopted by most of the conventional industries has placed a heavy load on environment especially through intensive resource and energy use, as is evident in natural resource depletion (fossil fuel, minerals, and timber), water, air and land contamination, health hazards and degradation of natural eco-systems.

GREENNESS OF PRODUCTS

The Greenness of products is defined through various attributes. These could be environmental focussed in terms of materials used, energy consumed or pollution generated. These attributes are reflected in different stage of the life cycle

- before usage, during usage or after usage. However the understanding of the consumers for these attributes needs to be assessed. Also it is important to understand those facets of green products that attract them towards buying them as also to understand those factors which acts as a barrier. Consumer's concern about the environment has been on the rise in India. However, the understanding of 'Greenness' varies widely among the consumers.

LIMITATIONS OF THE STUDY

Sample size is always a limitation for any survey. For consumers who were not aware of green products, it was difficult to understand some of terms related to green used in the questionnaire. Some of the terms were explained in the consumers who asked for it. For the online respondents this flexibility was not there.

WHAT IS A GREEN PRODUCT?

Green products as such have no established definition till date, but in simple words these are the products made giving due consideration to the life cycle. The life cycle analysis of a product estimates the positive and negative environmental impacts of the product from cradle to grave i.e. from the extraction of raw

materials through production processes, packaging, transportation, use and disposal or end of life.

In general, green product can be defined as ***"the product which has lesser or no adverse environmental impacts throughout the life cycle, as compared to any other product performing a similar function."***

ROLE OF GREEN PRODUCTS

Products developed and manufactured keeping in view such considerations are expected to have minimal negative impact on the human health and the environment across its life cycle. The shift from conventional products to greener alternatives will thus result in conservation of resources and better quality of life on the planet.

In India, the aspects like life cycle impacts of products find very little consideration in product evaluation. Moreover, there is no specific government policy that promotes manufacture or use of green products. In India, there is a fairly well-developed legal framework in place for environmental protection and to some extent for resource conservation. However, in general, existing policies pay little attention to the consumption of goods and services as a driver of resource use and pollution. AyselBoztepe (2012) in this paper entitled on "Green marketing and its impact on consumer buying behavior" this study focuses on to study the factors that influence the buying behavior of green products. Questionnaire method was used to collect the data from the 540 samples, tools like percentage, correlation, regression model used to analyze the collected responses. Variables are green awareness, green price, green product features, green promotion are used. All the variables are influencing the purchase behavior of the male consumers but promotion is the only variable influence the purchase behavior of the female consumers. Correlation analysis found that environmental awareness, green product features, green price green promotion are significantly related with green purchase behavior. Thiyagaraj,(2015).

RESOURCE CONSERVATION AND EFFICIENCY

The design of the product and the type and quantity of materials used play a significant role in determining its impacts on the environment throughout the life cycle of the product. The most important attribute a green product should possess is the ability to

conserve and optimize the use of resources in its production phase. As globalization makes the world become smaller, it becomes increasingly easy to see how the lives of people (and plants and animals and ecosystems) everywhere are closely synced up with one another.

GREENDIX SCORE

The Greendex Survey conducted by the National Geographic Society states that Indian consumers are at the top of the list amongst 17 countries in showing preference to green products.

In fact India is the country with the highest Greendex score since 2008. But many of the Indian consumers said that the environmental issues are complex in nature to understand and this has kept them from buying green products.

BIODEGRADABILITY AND COMPOSTABILITY

"Biodegradability is the ability of the product to biodegrade under natural conditions by biological agents such as micro-organisms." This criterion is less common as compared to other attributes mentioned above as the concept of biodegradability is complex and varies according to the type of the product. For products to be considered biodegradable, 70% of the product formula compound must, under aerobic conditions, break down into carbon dioxide, basic salts and water within 28 days.

NATIONAL PROGRAMME FOR ORGANIC PRODUCTION (NPOP)

Majority of the organic products are exported today to the U.S and the European Union. There is a need for promoting the standard in the Indian market to attract more manufacturers and retailers opting for certified organic products and to increase awareness amongst the consumers. Owing to the favourable climatic conditions and the

agricultural biodiversity of India, there is large potential for cultivation of wide range of organic products. There was a need to recognize this potential and focus on developing an organized organic agriculture system. This led to the formation of *National Programme for Organic Production (NPOP)* in 2000 by Ministry of Commerce and Industry, Government of India. The standard was formally notified under the *Foreign Trade (Development & Regulation) Act (FTDR)*. The same is implemented under the AGMARK11 scheme of Ministry of Agriculture, Government of India for the domestic markets and by *Agricultural & Processed Food Products Export Development Authority (APEDA)* for exports. The main objectives of the standard are to fasten the process of organic certifications in India, ensure transparency in the production process, assign credibility to Indian organic products and gain assurance of consumers in Indian organic products around the world.

SOCIAL IMPLICATIONS

The attributes explained above are not the minimal requirements for a product to be called as 'green', but satisfactorily ensuring these attributes in a product will assure its acceptance across various product categories internationally. Also, the attributes of a green product are not restricted to the above mentioned criteria's and depends on the type of the product and the geographical area where it is being produced. A harmonized eco label scheme taking into consideration such common core criteria's can make it easier for consumers to understand the information communicated to them by the producer and helps producers to follow a standardized format for communicating green products to their consumers. Along with the environmental factors, this criterion intends to include social impacts of a product such as fair trade practices,

employment of local community, safer working conditions, women empowerment, compliance with national or international labour standards, etc. Most prominent internationally accept-

ed certification for social inclusions in a green product is Fair trade International. Consumers encounter with terms such as ozone-friendly, environment-friendly and recyclable products in green marketing. However, green marketing isn't limited to these terms but is a much wider concept of marketing activity which can be applied to consumer goods, industrial goods and even to services. Thiyagaraj²(2015).

FUTURE OF GREEN PRODUCTS IN INDIA

There have been various studies carried out in the past addressing the green products and consumer behaviour towards them. One of the most important barriers perceived by Indian consumers that deter them from buying green products is the lesser availability and visibility of green products in Indian markets. In order to address this issue, continuous efforts by the industry and the government institutions are required for the promotion and marketing of green products. The manufacturers and retailers should ensure that the consumers readily find green products in the markets as any other product.

Effective communication of green products to consumers in India is also one of the major challenges taking into consideration the limited knowledge on green products and minimal information disclosure on the same. So, there are hardly any producers who obtain green product certifications for the domestic market as the demand for certified green products from the Indian consumers is very limited. Although, this change is taking place at a slow pace but is expected to gain pace in the near future.

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