Research Paper Management

Green Consumer: Eco-Friendly Behaviour

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ABSTRACT

Environment has become concern for many entities like government, NGO's, and Societies. Government has played its role by framing act for protection of the environment, NGO's have created awareness about conserving natural resources, and societies have responded positively for supporting this initiative. Businesses have begun to modify their behaviour in an attempt to address society's "new" concerns by "**Go Green**".

"Green Marketing" is a business practice that takes into account consumer concerns about promoting preservation and conservation of the natural environment. Adding to this, businesses identified innovative strategies to differentiate themselves by offerings **environment friendly products** demands **eco-friendly behaviour** from consumers. Such Consumer who shows the environment friendly behaviour is called as **Green Consumer**.

This research article aims to analyze the phenomenon of green consumer, how are they classified, and various green marketing strategies.

KEYWORDS Eco-Friendly Behaviour, Green Consumer, Green Marketing, Green Marketing Strategies.

INTRODUCTION

GREEN MARKETING

Green Marketing refers to the satisfaction of consumer needs, wants and desires in conjunction with the preservation and conservation of the natural environment. Green marketing manipulates the four elements of the marketing mix (product, price, promotion and distribution) to sell products and services offering superior environmental benefits in the form of reduced waste, increased energy efficiency, and/or decreased release of toxic emissions.

THE GREEN CONSUMER

Green consumer refers to consumers who are concerned about the environment in their purchase behaviour, activities associated with the marketplace and consumption habits and consider the effect of their behaviour on the natural environment around them. In general, ***each consumer who shows the environmentally friendly behaviour is called a green consumer.***

Green consumers are more internally-controlled as they believe that an individual consumer can be effective in environmental protection. Thus, they feel that the job of environmental protection should not be left to the government, business, environmentalists and scientists only; they as consumers can also play a part. They are also less dogmatic and more open-minded or tolerant toward new products and ideas. Their open-mindedness helps them to accept green products and behaviours, more readily (Shamdasani 1993).

LITERATURE REVIEW

According to **Hawken (Ecology of Commerce, 1995)** business has three issues to face. These are what it takes, what it makes and what it wastes. What it takes is materials from the environment, (its ecosystem) through extracting, mining, cutting, hunting and other means. What it makes is the products of commerce, goods and services that are derived from the natural environment through the process of conversion and transformation. What it wastes represents eco-costs arising from garbage, pollution and destruction of natural systems, which are the consequences of taking and making processes. And these costs are not internalized in most of the accounting systems so far.

The critical importance of industrial greening, in particular, is highlighted by a consideration of the factors that contribute to large-scale environmental deterioration. Environmental Impact equals a product of population (P), time's affluence (A), time's technology (T) **(Ehrlich and Ehrlich 1991).**

$$I = P \times A \times T$$

P and A are socio-political phenomena and are beyond the control of an industry or business. However, technology co-efficient is controllable. Technology applications reflect consumption of resources in qualitative and quantitative terms, energy used and the efficiency level of production and marketing and disposal of wastes. These are controllable technology decisions that can increase or reduce eco-costs. The goal is to reduce the use of unsustainable technologies and increase the use of clean technologies so that in the long run T is reduced to Zero which theoretically means I would be Zero at any quantity of P and A.

It is predicted that the future markets would be directly linked to the development, transfer and implementation of eco-friendly technologies, referred to as Environmental Technologies (ET). All kinds of ET are available now. Also, technology has made available substitutes, which are less resource intensive, for example, Copper has been substituted by fiber optic cables in telecommunication industry, thus reducing the demand for copper as well impact on environment associated with copper mining.

GREEN MARKETING

Green marketing came into prominence in the late 1980s and early 1990's. 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]**.

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 early definition has three key components, 1) it is a subset of the overall marketing activity; 2) it examines both the positive and negative activities; and 3) a narrow range of environmental issues are examined. While this definition is a useful starting point, to be comprehensive green marketing needs to be more broadly defined.

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 1994].**

GREEN BEHVAVIOUR

Green Behaviour is commonly understood as displaying behaviour like recycling, energy conserving, preferring energy efficient products, supporting to green organizations, and encouraging others to consume green products.

Kollmuss and Agyeman (2002) simplified GB as behaviour that "consciously seeks to minimize the negative impact of one's action on the natural and built world (e.g. minimize resources and energy consumptions, use non-toxic substances, and reduce waste production)".

Taylor and Todd (1995) reported that individual display various behaviours such as household recycling behaviour, reducing consumption of meat, composting resource conservation behaviours, water and energy saving.

IarCk (2003) there are two major streams of thoughts investigating green behaviour at individual level. There are set of economists who have examined influence of external factors on individual behaviour and their suggestions to environmental problem are of reward or penalty. On the other hand, psychologists have linked psychological variables to behaviour and suggested tools such as awareness, education, and persuasion for behavioural change.

GREEN PURCHASE

Green purchase is described as the act of buying products that are environmentally beneficial from consumer's perception **(Mainieri, Barnett, Valdero, Unipan, & Oskamp, 1997)**.

Chan (2001) defines green purchase as a specific kind of eco-friendly behaviour that consumers perform to express their concern to environment. Consumers purchase green products to minimize harmful environmental impacts by protecting natural resources, reducing energy use and waste and improving health and safety. A consumer's environmental attitudes and behaviour have been recognized as a complex, yet vital concept to address the profile of the ecologically conscious consumer **(Roberts and Bacon, 1997)**.

There are several studies namely by **Roberts (1996)**, **Roberts and Bacon (1997) and Stern et al. (1993)**, have examined a collaboration of demographic and psychographic dimensions related with attitudes toward green purchase. According to **Straughan and Roberts (1999)**, colleges students based on ecologically conscious consumer behaviour and declared that younger individual were likely to be more sensitive to environmental issues. The result of the study indicated that the demographic variables such as age and sex were significantly correlated with customers'' attitude toward green purchase when considered individually; and that income lacks significance.

However, **Soonthonsmai (2001)** stated that green purchase intention correlates positively with every age and income except for education. In fact, many studies have shown significant differences between men and women in environmental attitudes **(Brown and Harris, 1992; Tikka et al., 2001)** with men having more negative attitudes towards the purchase green products compared to women **(Eagly, 1987; Tikka et al., 2000)**. Women were more likely to buy green product because they believe the product was better for the environment **(Mainieri et al., 1997)**

RESEARCH PROCESS

OBJECTIVE OF THE STUDY

Following are the objectives of the study: (1) To analyze the phenomena of "green consumer". (2) To investigate on various classification of green consumer. (3) To understand strategies adopted by companies towards green marketing.

RESEARCH APPROACH

Researcher has used case study method in this paper. Case studies have been used for various purposes: exploratory, descriptive, and explanatory research and to generate theory and initiate change. These uses will depend on the research question asked and the extent to which the researcher has control over the event being studied. Case study approach is among those approaches which can be applied in both quantitative and qualitative stances. R K Yin (1989) defines case study as "as empirical enquiry that: 1) investigate contemporary phenomena within its real-life context; when 2) the boundaries between phenomena and context are not clearly evident, and in which 3) multiple sources of evident are used".

DATA COLLECTION

The secondary method of data collection has been used in this study. The information and data regarding the green consumer have been accessed from the sources such as research article, journals, research papers, websites, books, etc...

CLASSIFICATION OF GREEN CONSUMER

Numerous studies were made in order to define characteristics of the green consumers. Some of these studies also tried to divide the green market into market segments based on the "greenness" of the consumer.

The best known segmentation of consumers' environmental attitudes, and probably most adopted from many authors, was developed in the USA by Roper Starch worldwide. They identified five segments of consumer each with varying degree of concern and action.

1. **True Blue Greens:** Actual behavior is consistent with very strong concern about the environment.

"Major Green Purchasers and Recyclers"

2. **Greenback Greens:** Commitment to the environment is mainly manifested by willingness to pay substantially higher prices for green products.

"Will buy of give green, won't make lifestyle change"

3. **Sprouts:** Show middling level of concern about the environment and equally middling level of behavioural response.

"Care but would only spend a little more to buy green"

4. **Grousers:** Consistently rationalize the lack of pro environmental behaviour by offering all kind of excuses and criticizing the poor performance of others.

"See the environment as problem, but somebody else's."

5. **Basic Browns:** Do not believe individual can make difference in solving environmental problems, and do not want to make difference.

"Essentially don't care / won't care"

THE GREEN MARKETING STRATEGY MATRIX

According to **Ginsberg and Bloom (2004**), there is no single green marketing strategy that is right for every company. The authors developed four strategies ranging from the relatively passive and silent "lean green" approach to the more visible "extreme green" approach, with the two strategies "defensive green" and "shaded green" in between.



Figure 1: The Green Marketing Strategy Matrix
They classified the different approaches according to the two dimensions "sustainability of green marketing segments" and "differentiability on greenness", the first asking the question how substantial the green consumer segment is for the company and the latter posing the question whether or not the company has the resources to be differentiated on the green dimension.

While companies following the **"lean green"** approaches are not focusing on marketing their green initiates but are mainly interested in cost reduction through their environmental activities to achieve a cost competitive advantage, **"defensive greens"** use the green marketing approach as a response to a crisis or to a competitors action by promoting their initiatives only on a temporary basis. **"Shaded greens"**, on the other hand, regard their approach to develop products and technologies which truly gives them the possibility to differentiate themselves from the competitor but they choose not to promote their greenness too strongly but rather focus on stressing benefits which are direct measurable by the consumers, such as the possibility to save on expenses and selling their products through mainstream channels. **"Extreme green"** companies fully integrate environmental issues into every aspect of the firm with greenness being the major driving force behind the company since the beginning **(Ginsberg and Bloom, 2004).**

Each of this presented strategies are different in terms of the use of the different elements of the marketing mix. The lean strategy discussed tends to focus on a green product development, design and manufacturing whereas the defensive green strategy also involves the promotion element of the marketing mix. The shaded green strategy involves also the pricing dimension by promoting primarily the cost efficiencies which can be achieved with buying the products. Last but not least, the extreme green strategy makes use of all elements of the marketing mix as also the place element is included as distribution and retailers are chosen carefully.

CONCLUSION

As safe environment is major concern for majority of interest groups includes government, NGO's, businesses, and society at large. Among these some businesses have accepted as challenge and/or responsibility toward society tuned into corporate social responsibility. **"Going Green"** is a new business mantra for many of such environment friendly organization.

Rather searching consumers to whom you can turn into green consumer, green must be default. Organizations if blend their business strategy with green strategy will result into environment friendly or green products. Consumers by default will buy such products and will become ***green consumer.*** At the same time consumers must think that it is not just others responsibility towards environment but also their responsibility also towards nurturing environment. Until this happen, it is difficult to bring green revolution in society.

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