



## Changing consumer behavior towards the usage of Green Products

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### ABSTRACT

*Green has become a mainstream issue driving millions of consumers to find out how they can live a more eco-friendly. As environmental concerns have increased, majority of customers prefer to buy greener products. Environmental and economic concerns are changing the marketplace, customer's needs; Hence Companies are integrating green strategies into their product development, operational processes and marketing activities to find a new opportunity for competitive advantage. This paper focuses on the changing consumer behavior towards the usage of green products*

**Keywords :** Changing consumer behaviour, Environmental concerns, Green marketing, Reasons for firms using green marketing, Green products and Marketing activities.

### INTRODUCTION:

Green marketing is the marketing that includes environmental issues in the marketing efforts. The basic idea is that customers are provided with information of the environmental effect of the products and they can and use this information while deciding which product to purchase. Those aspects will in turn make companies more inclined to produce products that are better from an environmental point of view.

In General green marketing (Environmental Marketing or Ecological Marketing) is the marketing of products that are presumed to be environmentally safe.

The term Green Marketing came into prominence in the late 1980s and early 1990s.

The American Marketing Association (AMA) held the first workshop on "Ecological Marketing" in 1975.

### Adoptability:

In 1989, 67 percent of consumers stated that they were willing to pay 5-10 percent more for ecologically compatible products. By 1991, environmentally conscious individuals were willing to pay between 15-20 percent more for green products. Today, more than one-third of consumers say they would pay a little extra for green products.

An important challenge facing marketers is to identify which consumers are willing to pay more for environmentally friendly products. It is apparent that an enhanced knowledge of the profile of this segment of consumers would be extremely useful.

Everett Rogers, communication scholar and author of "Diffusion of Innovations", claims that the following five factors can help determine whether a new idea will be adopted or not, including the idealism of the shift towards "green":

- Relative advantage: is the degree to which the new behavior is believed to accrue more beneficial outcomes than current practice.
- Observability: is how easy it is to witness the outcomes of the new behavior.

- Trial ability: is the ease with which the new behavior can be tested by an individual without making a full commitment.
- Compatibility: is the degree to which the new behavior is consistent with current practice.
- Complexity: is how difficult the new behavior is to implement.

### GREEN MARKETING MIX

Green marketing contains the same ingredients of traditional marketing: product, price, promotion and place.

The 4 P's of green marketing are that of a traditional marketing but the challenge before marketers is to use 4 P's in an innovative manner if they wanted to adopt the policy of green marketing.

**PRODUCT:** The ecological objectives in planning products are to reduce resource consumption and pollution and to increase conservation of scarce resources (Keller man, 1978).

### GREEN PRODUCTS

A product should possess several characteristics that a product must have to be regarded as a "green" product. They contended that a green product should not:

- Endanger the health of people or animals
- Damage the environment at any stage of its life, including manufacture, use, and disposal
- Consume a disproportionate amount of energy and other resources during manufacture, use, or disposal
- Cause unnecessary waste, either as a result of excessive packaging or a short useful life
- Involve the unnecessary use of or cruelty to animals
- Use materials derived from threatened species or environments

Businesses practice being green when they voluntarily recycle and attempt to reduce waste in their daily operations. Practicing green is inherently proactive; it means finding ways to reduce waste and otherwise be more environmentally responsible, before being forced to do so through government regulations. Green promotion, however, requires businesses

to be honest with consumers and not mislead them by over promising."

**PRICE:** Price is one of the most critical and important factor of green marketing mix. Most consumers will only be prepared to pay additional value if there is a self perception of extra product value. This value may be improved performance, function, design, visual appeal, or taste. Green marketing should take all these facts into consideration while charging a premium price from the customer.

#### **PROMOTION: GREEN PROMOTION**

Perhaps no area of green marketing has received as much attention as promotion. In fact, green advertising claims grew so rapidly during the late 1980s that the Federal Trade Commission (FTC) issued guidelines to help reduce consumer confusion and prevent the false or misleading use of terms such as "recyclable," "degradable," and "environmentally friendly" in environmental advertising. Since that time, the FTC has continued to offer general guidelines for companies wishing to make environmental claims as part of their promotional efforts:

- Qualifications and disclosures should be sufficiently clear and prominent to prevent deception.
- Environmental claims should make clear whether they apply to the product, the package, or a component of either. Claims need to be qualified with regard to minor, incidental components of the product or package.
- Environmental claims should not overstate the environmental attribute or benefit. Marketers should avoid implying a significant environmental benefit where the benefit is, in fact, negligible.
- A claim comparing the environmental attributes of one product with those of another product should make the basis for the comparison sufficiently clear and should be substantiated.

**ECO-SPONSORING:** One avenue commonly used by companies to promote their specific ecological concerns is to affiliate themselves with groups or projects engaged in environmental improvements. In the simplest form, firms engaged in eco-sponsoring activities contribute funds directly to an environmental organization to further the organization's objectives. Another approach is to "adopt" a particular environmental cause (community recycling programs are popular), thus demonstrating the company's interest in supporting environmental protection efforts. Sponsorships of educational programs, wildlife refuges, and park or nature area clean-up efforts also communicate concern for environmental issues. Environmental organizations charge, however, that some businesses use eco-sponsorships to hide fundamentally rapacious attitudes toward the environment.

**ECO-LABELING:** Another vehicle that has been used with increasing frequency in recent years to convey environmental information to consumers is "eco-labeling." Eco-labeling programs are typically voluntary, third-party expert assessments of the environmental impacts of products. Two firms that are involved in such third party label verification work are Green Seal and Energy Star.

Eco-labeling programs increase awareness of environmental issues, set high standards for firms to work towards, and help reduce consumer uncertainty regarding a product's environmental benefits.

**PLACE:** The choice of where and when to make a product available by a company, will have significant impact on the customers. Very few customers will go out of their way to buy green products.

#### **THE STAGES OF LIFE CYCLE OF GREEN PRODUCTS**

|           |   |
|-----------|---|
| STAGE I   | <b>Development Stage:</b> Manufacturers mainly concentrate on environmental aspects and sources of materials utilized could be easily recycled and eco-friendly.  |
| STAGE II  | <b>Production Stage:</b> Manufacturers are advised to reduce emission, toxicity and waste and to conserve water and energy  |
| STAGE III | <b>Consumption stage:</b> Minimization of packaging, minimization of waste from product maintenance   |
| STAGE IV  | <b>Final stage</b> of product is its disposal, Green marketing introduced the concepts of reuse and recyclability, in addition to the concept of waste reduction. |

#### **REASONS OF FIRMS USING GREEN MARKETING**

Here are several reasons for firms increased use of Green Marketing.

1. Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives
2. Organizations believe they have a moral obligation to be more socially responsible
3. Governmental bodies are forcing firms to become more responsible
4. Competitors' environmental activities pressure firms to change their environmental marketing activities and
5. Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behavior.

#### **THE MUST IN GREEN MARKETING FOR GETTING CONSUMERS**

Integrating sustainability in a company that wants to embed sustainability and take this through to customers will need to reframe in the following ways:

- **INNOVATIVE APPROACH:** Sustainability is no longer limited to the corporate function of the business. It can be visible across individual brands and in product innovation. The corporate should think of ways to connect with customers at the product level to solve sustainability issues and also consider innovative partnerships.
- **INTEGRATE THE BRANDS:** Sustainability can only be incorporated into the brand when it is at the core of the business activity. Any integration needs to apply both environmental and social factors to business operations that can then be translated through customer "touch points". For example, Nike has openly committed to reach an environmental standard across 100% of its footwear range by 2011.
- **TWO WAYS COMMUNICATION:** Any customer communication must be relevant and appropriate to the audience. Communication can be delivered in various ways - online, through partnerships or on packaging, for example. There is plenty of scope for innovation around communication and marketing but this must be supported by real action. Be aware that big green corporate announcements - such as carbon neutrality - now make little impact.
- **PRICE IT RIGHT:** It is still unclear as to whether people will pay more for sustainable products, and it may be sector dependent. However, consumers are thinking in terms of "smart spending" - if they pay more for a product (including ethical products) then it must deliver. The other pitfall is to assume that people will "purchase" sustainability.

Connecting sustainability with the core business operations and consumers means that the CR team must work with other parts of the business, including brand, marketing and R&D. This enables opportunities for innovation. For example, sustainability could become an underlying brand proposition that offers opportunities for business. It may take time before large brands reap rewards from innovation in sustainability, but the consumer shift shows that sustainability needs to be more than a corporate level checklist.

**CONCLUSION:**

The effective green marketing requires applying good marketing principles to make green

products desirable for consumers. Green marketing is still in its infancy and a lot of reformation is to be done with a view to explore its full potential. Green products require renewable and recyclable material, which is costlier and is not affordable by common man. Green marketing should never be considered as just one more addition to approach to marketing, but has to be pursued with much great importance, as it both environmental and social dimensions.

Offering more eco-friendly alternatives , Recycled products for customers are one of the most popular alternatives that can benefit the environment. These benefits include sustainable forestry, clean air, energy efficiency, water conservation, and a healthy office.

Consumer awareness must be created by corporate by transmitting the message among consumers about the benefits of environmental-friendly products and services.

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