

Changing Consumer Behaviour with Green Marketing

K. Karthikeyan¹, D. Silambarasan²

Ph.D Research Scholar, Department of Commerce,
Kanchi Mamunivar Centre for Postgraduate Studies, Puducherry, India

Email - k.karthikeyan141990@gmail.com

Abstract: Environmental complications are still the main concern for the entire world and human beings. Air pollution, greenhouse effects and ecological unbalances, are the main environmental problems that have occurred till now along with the activities of human being. As environmental concerns have enlarged, majority of customers prefer to buy greener products. Environmental and economic concerns are changing the marketplace, customers' needs are evolving and brand loyalty is being redefined. Companies that integrate green strategies into their product development, operational processes and marketing activities are finding new opportunities for competitive advantage. Green, environmental and eco-marketing are part of the new marketing approaches which do not just refocus, adjust or enhance existing marketing thinking and practice, but seek to challenge those approaches and provide a substantially different perspective. Green has become a normal issue driving millions of consumers to find out how they can live a more eco-friendly existence. The influence of the green consumer will grow as environmental awareness among consumers spreads and improvements are made to the environmental information available through eco-labelling schemes, consumer groups and consumer guides. The legal implications of marketing claims call for caution. Misleading or overstated claims can lead to regulatory or civil challenges. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, sustainable packaging, as well as modifying advertising. This paper focuses on the changing consumer behaviour towards the usage of green products.

Key Words: Changing consumer behaviour, environmental concerns, green marketing, green products and marketing activities.

1. INTRODUCTION:

Green marketing is the marketing of products that are presumed to be environmentally preferable to others. Both marketers and consumers are becoming gradually sensitive to the need for switch in to green products and services. While the shift to "green" may appear to be expensive in the short term, it will definitely prove to be indispensable and advantageous, cost wise too, in the long run. A variety of literature discuss about green marketing and pays attention to the association between customer's attitudes and environmental strategies in relation to the company use of marketing. Green marketing is the marketing that comprises 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. A specific dimension of traditional marketing, green marketing contains the same ingredients of traditional marketing: product, price, promotion and place. It has become important for companies to create and sustain a relationship with all who they interact with: its suppliers, market intermediaries, the public and most importantly their customers. Many companies today openly bind themselves to carrying out their business in accordance with environmental principles. New green behaviour has emerged. It increases environmental awareness among law makers, environmental groups, consumers, financial institution, insurers, and the company's own employees and, most of all, the customers. This also increases the number of national and international environmental schemes, laws and regulations that has been established.

The green marketing concept could be operationalized by using the following marketing-mix actions:

- (1) Designing of green products
- (2) Distribution with green standards
- (3) Pricing of green products
- (4) Green publicity

2. REVIEW OF LITERATURE:

- All over the world, the demand in green products is growing and as such there is a concern for understanding how green is a green product. One of the most important restrains to the development of green products is the lack of consumer trust and the lack of information (Cervellon et al. 2010; Yiridoe et al., 2005).

- Regarding both interest in green products and green certifications, demographics tend to play an important role (D'Souza et al., 2007). Yet, results seem rather inconsistent in profiling the green consumer. A decade earlier, Byrne et al. (1990) had found that young females with a high school degree and above average income were most likely interested in purchasing more expensive organic products.
- On the other hand, Foster (2004) suggests that the over 45 year's old consumers have a tendency to be more open towards green information. And overall, many studies also found no significant correlation between age and a green orientation at all (see Finisterra do Paco et al., 2009). Results are also inconsistent in terms of gender differences. Several studies found that women are more concerned by green issues than men and are more likely to engage in pro-environmental behaviors (Zelezny et al., 2000).
- This gender difference appears to emerge also in the youngest group of population and in a cross-cultural context (Beutel and Johnson, 2004). Yet, recently, qualitative and quantitative results found by Gronhoj and Olander (2007) does not support the existence of such a difference. Results are more consistent in terms of education and income. The green consumer is considered more educated and wealthier than the average consumer (Shim, 1995; Mintel, 2009). Yet, there appears to be a democratization of green purchasing in Europe and North America. Indeed, Laroche et al. (2001) found that there is a group of consumers which transcends the socio-economic boundaries and is willing to pay for the ethical credentials.
- The research which has been accompanied on the issue of why consumers choose organic is very detailed and conclusive. It highlights three main types of green consumers, along the primary motivations to purchase green; the health-conscious consumer who purchases for his own health benefits; the environmentalist who buys green as a contribution to the protection of the earth and the quality hunter, persuaded that green products have superior taste or superior performances. Consumers might have a mix of these motivations, but nonetheless one predominates in purchase contexts (Cervellon et al., 2010).

3. REASONS OF FIRMS USING GREEN MARKETING:

When looking through the literature there are several suggested reasons for firms increased use of Green Marketing. Five possible reasons cited are:

1. Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives [Keller 1987, Shearer 1990]
2. Organizations believe they have a moral obligation to be more socially responsible [Davis 1992, Freeman and Liedtka 1991, Keller 1987, McIntosh 1990, Shearer 1990]
3. Governmental bodies are forcing firms to become more responsible [NAAG 1990]
4. Competitors' environmental activities pressure firms to change their environmental marketing activities [NAAG 1990]
5. Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behavior [Azzone and Manzini 1994].

4. STAGES OF GREEN MARKETING:

STAGES	PROCESS
Stage 1	Development Stage
Stage 2	Production Stage
Stage 3	Consumption Stage
Stage 4	Final Stage

Behavioral linkages of Green Consumption

Given the premise that green consumption has become so widely defined that its efficacy as a term has become somewhat meaningless, the research was concerned with examining the extent to which traditionally defined green consumer behaviours were linked empirically to other activities. A „conventional definition“ refers to the behaviours that are most regularly referred to as being examples of green consumption. These focused on the following activities:

- Purchasing products, such as detergents, that have a reduced environmental impact;
- Avoiding products with aerosols;
- Purchasing recycled paper products (such as toilet tissue and writing paper);
- Buying organic produce;

- Buying locally produced foods;
- Purchasing from a local store;
- Buying fairly traded goods;
- Looking for products using less packaging;
- Using one's own bag, rather than a plastic carrier provided by a shop.

Green Marketing Mix

Every company has its own favourite set of marketing mix. Some have 4 P's and some have 7 P's of marketing mix. The 4 P's of green marketing are that of a conventional 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).

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

There are three types of green advertising: -

- Ads that address a relationship between a product/service and the environment
- Ads that promote a green lifestyle by highlighting either a product or service.
- Ads that present a corporate image of environmental responsibility fulfilled by them.

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.

Essentials of Green Marketing for 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:

Think broadly about the Consumers

Avoiding the tendency to categorise and limit the sustainability audience as a niche eco or concerned consumer. Many consumers do not label themselves as green or eco even though they may be concerned about similar environmental issues. Also, some audiences (especially younger consumers) simply expect that green credentials will be embedded within the brands they like.

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. Retailer M&S, for example, teamed up with Oxfam to encourage customers to return clothes and reduce waste.

Integrate the Brands

Sustainability can only be incorporated into the brand when it is at the core of the business activity. This is not a day's work but takes long-term planning. 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 2015.

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.

Case of Consumer Durables Industry

The Consumer Durables industry consists of durable goods and appliances for domestic use such as televisions, refrigerators, air conditioners and washing machines. Appliances such as mobile phones and kitchen appliances like microwave ovens are also included in this category. This sector has been witnessing momentous upswing in recent years, helped by drivers such as the emerging retail boom, real estate and housing demand, greater disposable income and an increase in the level of prosperous section of the population. The industry comprises of major international and local players such as BPL, Videocon, Voltas, Blue Star, LG, Samsung, IFB, Titan, Whirlpool, etc. The consumer durables industry can be broadly classified into two segments: Consumer Electronics and Consumer Appliances. Consumer Appliances can be further categorized into Brown Goods and White Goods. The key product lines under each segment were as follows:

1. Television
2. Refrigerators
3. Air Conditioners
4. Mobile phones
5. Home appliances like DVD players, microwaves etc.
6. Computers

Because of various factors in consumerism and increasing spending power, various factors in this industry that are impacting the India consumer.

Case of Retailing

Retailing involves selling products and services to end consumers for their personal or family use. Department stores, like Burdines and Macy's, discount stores like Wal-Mart and K-Mart, and specialty stores like The Gap, Zales Jewelers and Toys R Us, are all examples of available retail stores. Service providers, like, hotels and hair salons, and on-line stores, like Amazon.com, are also retailers. It is the final link between consumers and manufacturers. Retailers are a vital part of the business world. Retailers add extensive value to products by making it easier for manufactures to sell and consumers to buy. It would be very costly and time consuming for a consumer to locate, contact and make a purchase from the manufacturer if retailers are not available in distribution channel. Similarly, it would be very costly for the manufactures of these products to locate and distribute them to consumers individually. By bringing multitude of manufacturers and consumers together at a single point, retailers make it probable for products to be sold, and, consequently, business to be done. In addition to this, retailers also provide many extra services, from personal shopping to gift wrapping to delivery, that increase the value of products and services to consumers.

5. BENEFITS OF GREEN MARKETING:

Today's consumers are becoming more and more conscious about the environment and are also becoming socially responsible. Therefore, more companies are responsible to consumers' aspirations for environmentally less damaging or neutral products. Many companies want to have an early-mover advantage as they have to eventually move towards becoming green. Some of the advantages of green marketing are,

1. It ensures sustained long-term growth along with profitability.
2. It saves money in the long run, though initially the cost is more.
3. It helps companies market their products and services keeping the environment aspects in mind. It helps in accessing the new markets and enjoying competitive advantage.
4. Most of the employees also feel proud and responsible to be working for an environmentally responsible company.

6. PROBLEMS OF GREEN MARKETING

Many organizations want to turn green, as an increasing number of consumers' want to associate themselves with environmental-friendly products. Alongside, one also witnesses confusion among the consumers regarding the products. In particular, one often finds distrust regarding the credibility of green products. Therefore, to ensure consumer confidence, marketers of green products need to be much more transparent, and refrain from breaching any law or standards relating to products or business practices.

Green Marketing Strategies to Earn Consumer Trust

The following five strategies give businesses steps to win their stakeholders' trust.

1. Walk your talk
2. Be transparent
3. Enlist the support of third parties
4. Promote responsible consumption throughout the life cycle
5. Focus on primary benefits

Initiatives to Green Marketing

1. Comprehensive procurement guideline program (CPG)
2. Green marketing regulations via the federal trade commission
3. Green government opportunities for small business
4. Greening EPA
5. EPA's envirofacts
6. EPA green podcasts

7. ADVANTAGES OF GREEN MARKETING:

Green marketing can mean that you consider the quality of the product that you created and eco friendly also; those things are the main advantages for your company when using green marketing campaign. And now in this article you will know more advantages that you can get by using green marketing strategy, here they are:

1. You can promote for the better to customer
2. More attractive products with green
3. To educate you customers
4. You can become influencer marketer
5. Your employee will feel proud and responsible
6. Open the opportunity for customers to participate
7. Create a new kind of infotainment

8. CONCLUSION:

Green marketing is the marketing of products that are presumed to be environmentally preferable to others. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, sustainable packaging, 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.

Green, environmental and eco-marketing are part of the new marketing approaches which do not just refocus, adjust or enhance existing marketing thinking and practice, but seek to challenge those approaches and provide a substantially different perspective. In more detail green, environmental and eco-marketing belong to the group of approaches which

seek to address the lack of fit between marketing as it is currently practiced and the ecological and social realities of the wider marketing environment.

The legal implications of marketing claims call for caution. Misleading or overstated claims can lead to regulatory or civil challenges. In the United States, the Federal Trade Commission provides some guidance on environmental marketing claims. This Commission is expected to do an overall review of this guidance, and the legal standards it contains, in 2011

REFERENCES:

1. Charter, Martin (ed). 1992. Greener Marketing. Sheffield, England: Greenleaf Publishing.
2. Coddington, Walter. 1993. Environmental Marketing: Positive Strategies for Reaching the Green Consumer. New York: McGraw-Hill Inc.
3. Davis, Joel J. 1992. "Ethics and Green Marketing." *Journal of Business Ethics* 11 (2): 81-87.