

INFLUENCE OF GREEN MARKETING ON CUSTOMERS BUYING BEHAVIOUR

Oshma Rosette Pinto, MBA, Ph.D

St. Philomena's College,
Mysore, India

ABSTRACT

The study aims to provide an insight of customer empowerment in terms of green marketing and customer buying behavior. The reason for the concept of green marketing has evolved due to the collapsing of our natural assets like eruption of soil, depletion of ozone layer, global warming, and other environment hazards.

Here the study is focused on how to evaluate the relationship between green marketing tools and customers buying behavior and to understand the government policies that help in formulating green marketing policies.

The data is collected through questionnaire where it is divided into six sections. The first part is for demographic details. Second part focuses on customers perceiving on environmental awareness. The third part focuses on pricing, fourth on product features, fifth focuses on promotion and the last is on our dependent variable customer buying behavior. The tools used for analysis is factor analysis, Descriptive and multiple regression analysis.

From the study we find that the respondents agree that the environment awareness are helpful in providing content about the eco-friendly products, the other factors fall in line with the customer buying behavior. The hypothesis results show that there is a significant relationship between Green product features and customer's buying behavior.

Keywords: Green Marketing, Factors, Customer Buying Behavior, Factor Analysis, Multiple regressions Analysis.

INTRODUCTION:

As Globalization of the business continued in a swing speed around the globe, it also brought few problems with it. The major problem it brought was an environmental problem which affects all the living beings in the universe. The customers worry about the forthcoming environmental problems that would lead into major health hazards in near future. To avoid this phenomenon they prefer eco-friendly products. This has led the companies to form marketing strategies that suits the customers' attitudes. These marketing strategies in new form are called as green marketing. Here starting from the inception of the manufacture of the product, its features, pricing, promotion, packaging till the distribution of the product the environment friendliness of the product is measured. The word Customer Empowerment in marketing undermines the traditional marketing maneuver by remolding that the customer is the king who has the power to change and use the product or service that is sold to gain success. Example: the marketing campaign of Nike's "Just Do it". Instead of promising that their shoes will improve the performance of athletes. It actually sends the message that anyone can be an athlete if they are willing to work hard. This makes the customers empowerment as they feel that in the internet world their opinions and preferences are taken care and accordingly companies design products for them.

OBJECTIVES OF THE STUDY:

1. To evaluate the relationship between green marketing tools and customers buying behavior
2. To understand the government policies that help in formulating green marketing policies.

HYPOTHESIS OF THE STUDY:

H₀₁ There is a significant relationship between green marketing tools and customers buying behavior.
H_{01a} There is a significant relationship between environment awareness and customer's buying behavior
H_{01b} There is a significant relationship between green pricing and customer's buying behavior.
H_{01c} There is a significant relationship between Green product features and customer's buying behavior.
H_{01d} There is a significant relationship between Green Promotion and customer's buying behavior

REVIEW OF LITERATURE:

Bansal, R (2015)-Here the author finds that the challenge the marketers have is to provide creativity in carrying out the requirement of good standard of living with sustainable development to the population world-wide. To fulfil the needs a concept called Green marketing was born. The outcome of the study was that the companies have to change their old marketing strategies to green marketing strategies to survive in the world of green competition.

Banyte, J., Brazioniene, L., & Gadeikiene, A. (2015) – The authors emphasizes on the changes that have taken place with the change in attitude of the consumers in terms of protection of environment, ecology, social responsibility and habits of consumption. This has made companies to find innovative alternatives that are based on social responsibility. The outcome of the study states that reliability of eco-friendly products is associated with familiarity of a product brand with safety and environmental consideration.

Bhardwaj, M. M. (2014) - The author has focused on companies that have taken initiative to keep the environment safe by enforcing the green marketing concept. This has led the organizations to capture the market opportunity.

Boztepe, A. (2016) - The author aims to provide information on impact of green marketing on the purchasing behaviors of customers. The outcomes of the study are that environmental awareness, green product features, green promotion activities and green price have an impact on the purchasing behavior of customers.

Gupta, A., & Pathak, S. - The authors analyzes the impact of strategies of green marketing strategies on responsiveness of customers and execution. This helps the companies to establish commodities which are eco-friendly. The outcome of the study is that the trades have increased the cost of musing the customer who emphasizes on protection of the environment and new trends of green marketing that can be framed for having a sustainable development and required practices.

Hartman, Cathy L., and Edwin R. Stafford. (1997) Here the authors are providing the ecological alliances in the form of partnerships and green alliances among the groups of environment and businesses having a integrating gols with the environmental marketing goals.

Hasan, Z., & Ali, N. A. (2015)- Here in this paper authors has focused on impact of strategy of green marketing on environmental management firms that have ISO certified 14001. In spite of increasing trend of consumers who are ready to spend for a green product, the concept of green marketing faces major challenges. The outcome of the study is that innovation and promotion of green marketing has a significant effect on the companies' performance.

Kinoti, M. W. (2011). In this paper the authors focus on marketing intervention strategies of green marketing to the problems faced in the world. The outcomes indicate that strategies not only provide environment protection but also help in developing sustainability in the world.

Rex, Emma, and Henrike Baumann (2007): - The authors here has emphasized that among the green marketing tools eco labels is the most important feature in green marketing. It is also that from conventional marketing eco labels can borrow the promotional tools for green products

Singh, P. B., & Pandey, K. K. (2012) - The authors have tried to provide analysis on the impact of marketing strategies of green marketing on providing satisfaction and safety to the customers in terms of environment. It also tries to find the specific segments of consumers as well what are the challenges faced and opportunities available to the consumers who are utilizing the products of green marketing.

Testa, F., Iraldo, F., Vaccari, A., & Ferrari, E. (2015) - Here the study is based on the role of eco-labels that help the customers in making choices in purchasing green products. The outcome of the study is that a there is significant role of eco labels that increase in customers behavior of purchasing than on loyalty in brand.

Tiwari, S., Tripathi, D. M., Srivastava, U., & Yadav, P. K. (2011) - The authors have emphasized the essence of green marketing as most of the consumers are conscious of environment which is priority just ranking behind good value and trustworthy The outcomes of the study is there is a need to focus on major areas of sustainability and consumer buying behavior and other reforms on green marketing.

METHODOLOGY:

The data is collected through questionnaire where it is divided into six sections. The first part is for demographic details. Second part focuses on customers perceiving on environmental awareness. The third part focuses on pricing, fourth on product features, fifth focuses on promotion and the last is on our dependent variable customer buying behavior. The tools used for analysis is factor analysis, Descriptive and multiple regression analysis

RESULTS:

The Green marketing tools is the independent factor to find the effect on the customer buying behavior. The factors include four dimensions Environmental Awareness, Green Price, Green Product Features and Green Promotion.

Table 1: Relationship between Different Factors of Green Marketing and Buying Behavior of the Customers Rotated Component Matrix of buying behavior of the customers

SI. No.	Variables	Factors				Naming of the factors
		1	2	3	4	
1	The awareness improves my knowledge on green products	.632				Environment Awareness
2	It helps the customer in making wise decision	.530				
3	Cost savings due to efficiency features of the product		.512			Green Pricing
4	Instead of selling the products the company rents the product which means the customers pay only		.801			

SI. No.	Variables	Factors				Naming of the factors
		1	2	3	4	
	for the use of the product					
5	The product is environmental friendly			.776		Green Product Features
6	The product must be helpful in maintaining the ecological diversity.			.678		
7	The finance spent on protection of the environment				.638	
8	The company while promoting products emphasizes on its quality certification				.795	
9	Sponsoring for the natural environment protection				.775	
10	The company while setting its policies makes mandatory to add the clause of eco-friendly promotional campaigns.				.656	
Eigen value		3.02	2.02	1.55	1.10	
Percentage of variance		29.0	16.9	19.1	12.0	
Bartlett's Test of Sphericity		.000				
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.684				
Extraction method: principal component analysis Reliability		0.80	0.78	0.85	0.55	

INTERPRETATION:

From the above table Principal Component Analysis and Varimax procedure are applied for finding the factors in rotated component matrix. Factor loading of individual variables on various components (with more than 0.5) are considered for the determination of factors. Variables numbered as 1, 2 are grouped into first factor and named as *Environment awareness*. Variables numbered as 3, 4, are grouped into second factor and named as *Green pricing*. Variables numbered as 5, 6, are grouped into third factor and named as *green product features*. Variables numbered as 7, 8, 9, 10 are grouped into fourth factor and named as *Green Promotion*

Table 2: Description of variables study

Variables	Mean	Standard Deviation
Green Marketing tools		
Environmental Awareness	3.7	0.6
Green Pricing	3.0	0.8
Green Product Features	3.1	0.6
Green promotion	3.2	0.7
Customer Buying Behavior	3.6	0.8

INTERPRETATION:

From the table we find the respondents agree that the environment awareness are helpful in providing content about the eco-friendly products which has mean of 3.7, the other factors fall in line with the customer buying behavior.

Table 3: Multiple regression analysis

Variables	Beta	Significance
Environmental Awareness	0.05	0.52
Green Pricing	0.17	0.01
Green Product Features	-0.07	0.17
Green promotion	0.20	0.002

From the table we can find that H_{01c} . *There is a significant relationship between Green product features and customer's buying behavior* is rejected because the beta value is -0.07 which is less than 0.05. We accept H_{01a} , H_{01b} and H_{01d}

DISCUSSION:

As industrialization has taken place with fast development and progress of technology, the needs of people have been increased. Due to this we are facing depletion of our natural resources which in turn is affecting our environment. In order to safeguard the environment, customers are switching to green products and companies are bringing out products which are eco-friendly.

The Strategies are the companies need to focus on green market segmentation by running an advertisement with innovative green product with their already existing products in a selected green market segment. They need look at designing of the product in such way that it does not cause any negative effect on the environment. The green positioning of the product, promotion, packaging and logistics needs to be taken care with proper strategies. The waste generated in the production of the green products can be recycled into a new product. For the transportation of products electric or hybrid vehicles can be used. Companies should venture into strategic alliances which can be called as green partnership.

The customers need to be educated about the green products, its benefits and how it shall help to maintain the eco- system or the environment. The customers should be empowered to take their decisions to buy the green products. This will create customer brand evangelists. The green marketing down the decades shall provide an opportunity to enhance the performance of the product, get customer loyalty and maintain the environment of the globe.

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