

Perception of Marketers of Green Products: An Empirical Study

Saleena T.A.,

Assistant Professor,
Department of Commerce & Center of
Research, PSMO College, Tirurangadi,
Malappuram, Kerala, India.

Dr. PV Basheer Ahammed,

Associate Professor (Retd, and Research
Supervisor), Department of Commerce &
Center of Research, PSMO College,
Tirurangadi, Malappuram, Kerala, India.

ABSTRACT

Global warming, air pollution, scarcity of water and increased frequency of disasters are warnings of objectionable human interventions on exploiting nature. Both business houses and consumers have responsibilities to work for stabilization of the natural environment. Consumers are also concerned about the products which are adversely affecting the environment. Institutions that often form the link between the business houses and consumers are the wholesalers and retailers. Both can contribute to a great extent towards formulating policies on climate change, waste management and pollution and make people aware of the need for a sustainable and balanced ecology by planning their business processes in an eco-friendly manner. In this context an attempt is made to study the marketer's perception in marketing of green products in Malappuram District of Kerala State. Primary data have been collected from 60 retailers through a structured questionnaire. Purposive sampling technique has been used for selecting the sample. Percentage analysis, Independent t test and mean score have been used to analyze the data. The study infers that competition is the main motive for marketing green products. Similarly, high product cost, lack of awareness of consumers about the products and lack of financial support from the government are the most common problems they face.

Keywords: Environmental issues, retailers, motives, challenges.

INTRODUCTION:

The retail industry has been emerging as one of the largest sector in Indian economy. Retail marketing mainly deals with identifying and meeting needs of people and society and delivering goods and services to consumers. The Indian retail market is a combination of structured and unstructured markets that contain different consumer products. It consists of supermarkets, departmental stores, specialty stores and general shops. In the modern era of globalization, it has become a challenge to keep the producers as well as consumers in touch to keep our natural environment safe, which has been the biggest need of the time to develop the practices for sustainability in the retail sector. The retail sector has key role to play in sustainable production and consumption of products with lower environmental impact, and in promoting them to consumers. Green products or eco-friendly products are those products which do not pollute the natural environment, do not waste resources and are recyclable / reusable. It helps to maintain and improve the environmental sustainability by way of saving energy or resources and reducing the use of toxic substances thereby controlling pollution. Hence, it is important to study the retailers' perception in marketing of green consumer durables.

OBJECTIVES OF THE STUDY:

The following are the important specific objectives of the study,

- To understand the business profile of retailers and also identify the motives of marketers to sell green products.
- To analyze the marketer's perception about consumers' buying attitude of green products.
- To find out the problems faced by the marketers in selling green products.

HYPOTHESES OF THE STUDY:

- ❖ There is no significant difference between sole trader and partnership firms about the motives to sell green products.
- ❖ There is no significant difference between sole trader and partnership firms about the problems faced in marketing of green products.

REVIEW OF LITERATURE:

Mette Lise Jenser and Stig Yding Sorensen (2003) have attempted to identify consumer's and retailer's efforts to promote less polluting electronic products. For this purpose primary data are collected from 17 consumers and 10 suppliers through interview. Findings of the study revealed that consumers do not demand less hazardous electronic products while purchasing in the shop. The study also shows that retailers did not take any initiative in promoting the sale of less environmentally hazardous products. It is also suggested that marketers and manufacturers should educate the consumers and provide green advertisements to promote the products.

To assess the awareness of government subsidy for solar water heaters among the people of Mumbai (India), Anupama S Chavan and Madhav N Welling (2013) have made a study by employing questionnaire for collecting data from 120 consumers. The results of the study revealed that majority of the consumers are not aware about subsidies/incentives for solar products. Product availability, after sale service and credit facility are the main factors which influence the purchasing of solar water heater. It has been suggested that marketers should spread awareness about the availability of government subsidy/incentives and arrange credit facilities for the buyers to promote sales and after sales services.

With the objectives to evaluate the problems to the retailers in retail business and to identify the problems faced by the customers in retail marketing, Surajit Dey, Sameena Rafat and Alam Sageer (2012) have undertaken a study on "Retailers and Customers: Problems and Perspectives", an interview schedule was used to collect data from 100 sample respondents. Percentage analysis, weighted ranking analysis, Garrett's ranking analysis, Likert's scaling technique and chi-square analysis are the important statistical tools used to analyze the data. The findings disclosed that majority of the retailers faced the problems of bad debts, heavy competition, limited financial resources and poor market condition. Lack of variety and less promotion efforts are the problems faced by the consumers. Hence, it suggested that appropriate strategies are to be applied in order to retain customers in the market.

In order to identify the consumer's awareness and perception towards eco-friendly fast moving consumer goods, Nagaraju & Thejaswini (2014) have undertaken a study. Convenient sampling technique has been used to collect data from 60 respondents. The findings of the study concluded that majority of the respondents are aware and satisfied of eco-friendly FMCG. Further, it has also been observed that eco-labels and green logos are the important tools for identifying eco-friendly fast moving consumer goods. The study recommended that the government, environmental communities and social groups have to join together to create awareness among the public about environmental issues and the benefits of green products.

METHODOLOGY:

The present study is based mainly on primary data collected from 60 retailers of green products through a structured questionnaire. Purposive sampling method has been used for selecting the sample and statistical tools like Percentage analysis, ANOVA and means score have been applied to analyze the data and draw inferences. The study is limited to the respondents from Malappuram District.

ANALYSIS AND INTERPRETATION:

Business Profile of Retailers:

Information about the retailers consists of nature of ownership, types of retail shop, types of products, nature of products sold, and period of trading and monthly turnover of the shop as shown in table number 1 below:

Table 1: Business Profile of the Respondents

Variables	Categories	No. of Respondents	(%)
Age (Period of trading)	Less than 1 year	5	8.4
	1-5 years	21	35.0
	5-10 years	23	38.3
	Above 10 years	11	18.3

Variables	Categories	No. of Respondents	(%)
Nature of ownership	Sole proprietorship	34	56.7
	Partnership	26	43.3
Type of retail shop	Simple retail shop	35	58.3
	Departmental stores	19	31.7
	Specialty shop	6	10.0
Monthly turnover	Less than Rs.50,000	16	26.7
	Rs.50,000 – 1,00,000	27	45.0
	Rs.1,00,000 – 1,50,000	11	18.3
	Above 1,50,000	6	10.0
Types of green products	Durables	32	53.3
	Non -durables	13	21.7
	Organic	7	11.7
	Stationery	8	13.3
Nature of products sold	Green products only	45	75
	Both green and non-green products	15	25
	Total	60	100

Source: primary

The above table depicts that 38.3 per cent of the respondents have been running their business from 5 – 10 years, 35 per cent of them have been carrying out their business for 1 – 5 years, 18.3 per cent of the respondents have been doing their business for more than 10 years and 8.4 per cent of them have been carrying on business for less than 1 year. It is inferred that majority of the retailers are carrying on their business in the age group of 1 – 10 years. On the basis of nature of ownership, 56.7 per cent of the respondents are sole traders and 43.3 per cent are running partnership business.

On the basis of type of retail shop, 58.3 per cent of the respondents have simple retail shops, 31.7 per cent of them have departmental shops and only 10 per cent have green products in specialty shops. Therefore, majority of the retailers sell green products in simple retail shops. Seventy five per cent of the respondents sell only green products in their shop and 25 per cent of them deal with both green and other products. On the basis of types of products, 53.3 per cent of the respondents sell durables like energy efficient home appliances, wood and bamboos furniture, 21.7 percent of them sell non-durables viz., beauty, health and personal care products, 13.3 per cent of the respondents sell stationery products and 11.7 per cent of them sell organic products. Hence, it is seen that most of the retailers sell durables because of demand for the same.

On the basis of monthly turnover of business, 10 per cent of the respondents have stated that their monthly turnover has been above Rs.1,50,000, 26.7 per cent of them have stated that their monthly turnover is less than Rs.50,000, 45 per cent of the respondent's monthly turnover is between Rs.50,000 – 1,00,000 and 18.3 per cent of them have stated that their monthly turnover has been between Rs.1,00,000 – 1,50,000. Hence, it is seen that most of the retailer's monthly turnover is between 50,000 – 1,00,000.

Factors Influencing Retailers to Proceed and Sell Green Products:

Descriptive statistics namely mean and standard deviation have been applied to find out the factors that influence the retailers proceed to sell green products in their shop.

Table 2: Motivating factors of retailers to include green products in their business

Factors	Mean	SD
To earn maximum profit	3.75	0.926
To overcome competition	4.37	0.682
Better business opportunity	3.82	0.884
To satisfy and retain customers	3.86	0.321
Protect the environment	4.32	0.695
Own interest	4.19	0.532
To provide varieties	3.33	0.952
High demand	3.96	0.253
Good product quality	3.87	0.995

Factors	Mean	SD
Corporate social responsibility	3.22	0.362
Pressure from government	3.14	0.673

Source: Primary

On a five point Likert scale, the factors that influence the retailers to include green products in their business have been assigned ratings by the respondents ranging from 1 to 5, where 1 represents strongly disagree, 2 represents disagree, 3 represents neutral, 4 represents agree and 5 represents strongly agree. From the mean ratings computed based upon the response of the retailers it is evident that most of the retailers have strongly agreed that because of overcoming competition (mean 4.37) only they have included green products in their business, followed by 'protect the environment' (mean 4.32), 'own interest' (mean 4.19), 'high demand' (mean 3.96), 'good product quality' (mean 3.87). Some of the retailers have agreed that they select green products to 'satisfy and retain the consumers' (mean 3.86), followed by 'better business opportunity' (mean 3.82), 'to earn maximum profit' (mean 3.75), 'to provide varieties' (mean 3.33), 'Corporate Social Responsibility' (mean 3.22) and 'pressure from government' (mean 3.14). Therefore, it can be concluded that most of the retailers undertake green marketing practices for the purpose of overcoming competition.

H0: There is no significant difference between sole trader and partnership firm about the motives to sell green products.

H1: There is significant difference between sole trader and partnership firm about the motives to sell green products.

In order to identify whether there is any significant difference between sole trader and partnership firms about the motivating factors to sell green products, independent t test is applied. The results shows that $P = 0.016$ which is less than 0.05. So null hypothesis is rejected and alternative hypothesis is accepted. It implies that there is significant difference between sole

trader and partnership firms about the motivating factors to marketing green products.

Retailer's Perception about Consumers' Buying Attitude of Green Products:

Preference and buying behavior of consumers towards green products is an important deciding factor that influences the retailers to deal with green products. Hence, it is mandatory to identify the consumer's preference and buying attitude to make sure that the best has been delivered to them.

Identification of green products by the consumers:

Table 3 represents whether the consumers specifically recognize green products while making purchase decisions.

Table 3: Consumer's identification of green products

Identification of green products	No. of Respondents	(%)
Yes	56	93.3
No	4	6.7

Source: Primary

It is noticed from Table 3 that majority (93.3 per cent) of the respondents have mentioned that their consumers specifically identify green products while purchasing and only 6.7 per cent of them have not been able to identify green products specifically.

Factors leading consumers to identify green products:

Table 4 shows retailer's perception towards the factors leading consumers to identify green products.

Table 4: Factors leading consumers to identify green products

Factors	No. of respondents	Percent (%)
Green Products Certifications	11	18.3
Green Labels/Logos	31	51.7
Green seal	9	15.0
Green brand	3	5.0
Special section for green products	6	10.0

It is clear from Table. 4 that 51.7 per cent of the respondents have stated that their consumers have been identifying green products by their “green labels and logos”, 18.3 percent by “green certifications” and 15 percent by “green seal”. Hence, it can be concluded that majority of the consumers identify green products by its specific “labels and logos”.

Consumers’ willingness to pay more for green products:

Table.5 depicts the retailers’ opinion regarding consumer’s willingness to pay more for green products

Table 5: Consumer’s willingness to pay extra for green products

Consumer’s willingness to pay extra for green products	No. of respondents	Percent (%)
Yes	49	82
No	11	18
Total	60	100

It is can be seen from Table 5 that majority (82 per cent) of the respondents have agreed that consumers are willing to pay more for green products, whereas, only 18 per cent of them have stated that consumers are not willing to pay more for green products.

Factors influencing consumer’s willingness to pay more for green products:

The following table exhibits the retailers’ opinion about reasons behind the consumer’s willingness to pay more for green products.

Table 6: Factors influencing consumers’ willingness to pay more for green products

Reasons	No. of respondents	Percent (%)
Health and safety	29	48.3
Environmental protection	45	75.0
Sustainability	31	51.7
Quality and reliability	18	30.0
Energy efficient	55	92.0

The above table states that respondents have opined that 92 percent consumers are willing to pay more for green products because of their energy efficiency. Seventyfive per cent of the respondents have said that environmental protection is the significant reason to pay more, where as 51.7 per cent are ready to spend extra price for green products because of sustainability and 48.3 per cent for ‘health and safety’ concerns. For thirty percent of respodents “Product’s quality and reliability” is the factor influencing the consumers to pay more for the products. Hence, it is concluded that energy efficiency is the significant factor influencing the consumers to pay more for green products.

Challenges of retailers in marketing green products:

Retailers have been requested to rank their problems in marketing green products, thereby; they have given rank 1 to the major problem and 8 to the least problem they face. The mean value of the ranks have been found and shown in the following table.

Table 7: Problems faced by retailers in marketing green products

Sl no.	Factors	Mean	Rank
1	Lack of awareness of consumers	3.87	II
2	High promotional cost	3.76	VI
3	Tough competition	3.79	IV
4	High product cost	3.94	I
5	Limited variety	3.51	VIII
6	Not easy availability	3.53	VII
7	Lack of support from the government	3.80	III
8	High capital investment	3.78	V

From the above table, it can be seen that majority of the respondents have opined that high product cost is the major problem (mean rank 3.94), followed by 'lack of awareness' of consumers about the products (mean rank 3.87), 'lack of support from government' (mean rank 3.80), 'tough competition' (mean rank 3.79), and 'high capital investment' (mean rank 3.78), being given fifth rank.

H0: There is no significant difference between sole trader and partnership firm about the problems faced in marketing of green products.

H1: There is significant difference between sole trader and partnership firm about the problems faced in marketing of green products

Independent t test is carried out to analyze whether there is significant difference between sole trader and partnership firm about the problems faced in marketing of green products. The result concluded that there is no significant difference in the problems faced by sole trader and partnership firms about marketing of green products. T test result shows that $p=0.794$ which is greater than 0.05. Hence, the null hypothesis is accepted and alternative hypothesis is rejected.

CONCLUSION:

The empirical study on "Perception of Marketers of Green Products in Malappuram District" helps in identifying retailers' information about the business, their motivating factors for starting green marketing, their perception about consumers' buying behavior of green products and problems faced by them in promoting green products. The results of the study point out that majority of the retailers have started green marketing to tide over competition in the sector. The study also mentions that consumers are ready to pay more for green products because of their energy saving feature and they also stated that high product cost, lack of awareness of consumers about green products and lack of financial support from the government are the significant problems faced while marketing the products. To overcome these challenges the marketers should provide effective advertisement campaigns about features of green products to create awareness among the public and also the Government should provide all possible assistance in the form of subsidy, investment allowances or term loans to the marketers.

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