

# Effect of Green Marketing on Departmental Stores

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**Abstract:** *The green movement has been expanding rapidly in the world. With regards to this consumers are taking responsibility and doing the correct things. Consumer awareness and motivation continue to drive change in the marketplace, notably through the introduction of more eco-friendly products. Compared to consumers in the developed countries, the Indian consumer has much less aware of environmental issues like global warming. Successful marketing has always been about recognizing trends and positioning products, services and brand in a manner that supports buyer intentions. Today, many companies have accepted their responsibility to protect our environment. So, products and production process become cleaner. More companies introduce green products and it helps to change the polluted world. "Go green", because they realize that they can reduce pollution and increase profits at the same time. Green marketing is a creative opportunity to innovate in ways that make a difference and at the same time achieve business success. This paper investigates buyer perception and attitude of purchasing eco-friendly products.*

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## I. INTRODUCTION

### Green Marketing

Green marketing refers to the process of selling products and services based on their environmental benefits. Such a product or service may be environmentally friendly in it or produced in an environmentally friendly way. 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. Green marketing is a topic which has been recently studied. This concept emerged in the late 80's decade representing the advertising products with environmental characteristics. New types of products were introduced in the markets, named by "green products" which had features would have less damage for the environment. Green marketing term was first discussed in a seminar on "ecological marketing" organized by American Marketing Association (AMA) in 1975 and took its place in the literature. In this seminar where the impact of marketing on natural environment was analyzed with the contribution of academicians, bureaucrats and other participants, ecological marketing concept was defined as follows: Studies regarding adverse or positive impacts on environmental pollution, energy consumption and consumption of other resources as result of marketing (Cevreorman, 2010).

### Importance of Green Marketing

Man has limited resources on the earth, with which they must attempt to provide for the worlds' unlimited wants. There is extensive debate as to whether the earth is a resource at man's disposal. In market societies where there is "freedom of choice", it has generally been accepted that individuals and organizations have the right to attempt to have their wants satisfied. As firms face limited natural resources, they must develop new or alternative ways of satisfying these unlimited wants. Ultimately green marketing looks at how marketing activities utilize these limited resources, while satisfying consumers wants, both of individuals and industry, as well as achieving the selling organization's objectives.

### Goals of Green Marketing

- Eliminate the concept of waste.
- Reinvent the concept of product.
- Make prices reflect actual and environmental costs.
- Make environmentalism profitable.
- Bringing out product modifications.
- Changing in production processes.
- Packaging changes.
- Modifying advertising.

### Need of Green Marketing

Issues like Global warming and depletion of ozone umbrella are the main for the healthy survival. Every person rich or poor would be interested in quality life with full of health and vigor and so would the corporate class. Financial gain and economic profit is the main aim of any corporate business. But harm to

environment cost by sustain business across the globe is realized now though off late. This sense is building corporate citizenship in the business class. So green marketing by the business class is still in the selfish anthropological perspective of long term sustainable business and to please the consumer and obtain the sanction license by the governing body. Industries in Asian countries are catching the need of green marketing from the developed countries but still there is a wide gap between their understanding and implementation.

### **Challenges in Green Marketing**

It is found that only 5% of the marketing messages from “Green” campaigns are entirely true and there is a lack of standardization to authenticate these claims. There is no standardization to authenticate these claims. There is no standardization currently in place to certify a product as organic. Unless some regulatory bodies are involved in providing the certifications there will not be any verifiable means. A standard quality control board needs to be in place for such labeling and licensing.

### **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:

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

### **Evolution of Green Marketing**

The term Green Marketing came into prominence in the late 1980s and early 1990s. The green marketing has evolved over this period of time. The evolution of Green marketing had three phases. First phase was termed as "Ecological" green marketing, and during this period all marketing activities were concerned to help environment problems and provide remedies for environmental problems. Second phase was "Environmental" green marketing and the focus shifted on clean technology that involved designing of innovative new products, which take care of pollution and waste issues. Third phase was "Sustainable" green marketing. It came into prominence in the late 1990s and early 2000. This was the result of the term sustainable development which, is defined as "meeting the needs of the present without compromising the ability of future generations to meet their own needs."

## **II. REVIEW OF LITERATURE**

**Peter Kangis (1992)** proposes that the challenges both for marketing specialists and for consumers, raised by the concept of green marketing, are due to several issues, such as the lack of an acceptable definition for green marketing, the absence of a clear understanding of cause-and-effect relationships in matters affecting the environment, and the overt and covert reasons for concern about such issues.

**Vasanthkumar N. Bhat (1993)** suggests since inputs, manufacturing processes, distribution, use and disposal methods are decided during the design stage, any company venturing out with a green marketing program must start with green design. Presents source reduction and waste management strategies to cut down wastes, and also presents a method to compare green design alternatives which can provide designers with guidance to select superior designs. As a product must meet several criteria, suggests a concurrent rather than sequential product development approach.

**John Grant (2008)** aims to look at how companies obtain a greener strategy and what is the future of green marketing.

**Elham Rahbar (et al, 2011)** proposes to determine the effect of green marketing tools on consumer's actual purchase behaviour in case of Penang (Malaysia). A survey was carried out on 250 Chinese, Malay, Indian and other races that represent the Penang population. Factor analysis, Cronbach alpha and multiple regressions were used to identify factors impact on Penang consumers actual purchase behaviour. The result revealed that customer's trust in eco-label and eco-brand and their perception of eco-brand show positive and significant impact on their actual purchase behaviour.

**Hallin (1995) and McCarty and Shrum (2001)**, people engage in environmental behavior as a result of their desire to solve environmental problem, to become role models and a belief that they can help to preserve the environment. However, consumers’ indications of positive attitude towards environmental issues do not necessarily lead to actual environmentally friendly purchasing behavior (Laroche et al., 2002).

**Polonsky and Rosenberger, (2001)** Green marketing is a vital component of marketing research which began due to increasing pressure on firms to present eco-friendly behavior. The growth in green marketing over the years has been promoted by adoption of product packaging and presentation to the public.

There has been a continuous improvement from environmental marketing practices as a result of legislations and pressure from environmental groups to genuine efforts to improve sustainable marketing plans and behaving in a responsible manner.

**Pickett et al. (1995)**, if the communications of green branded attributes are not properly undertaken, environmentally sustainable products will tend to be commercially unsuccessful. Similarly, W. Coddington (1993) has suggested that green positioning is an important factor that leads to the success of green branding strategies. However, according to Schlegelmilch et al. (1996), the perceived trade-off between functional performance of the brand and its effects on the environment leads to negative consumer responses and reactions.

**Hartmann et al. (2005)**, state that emotional brand benefits are the significant factor motivating consumers to change actual purchase behaviour to buy eco-friendly products. **D'Souza (2005)**, advertising terms such as "environmentally friendly, recyclable, biodegradable, and ozone safe" are often seen regularly in green advertisements and consumers are seldom exposed to such messages effectively.

**Chan (2004)** has stated that, customers seek more authenticated and concrete product information from these advertisements to guide them in their purchasing decisions. Thus, marketers should publicize environmental information effectively. Moreover, Hawkins et al. (1998) stated that emotional content in advertisements is required to increase customers' attention towards these advertisements.

**Mendleson (1994)**, in order to achieve the goal of changing the consumers buying behavior, marketers and organizations should focus on the ecological knowledge in their organizations as a whole, in their product offerings, and in their advertising campaigns.

**Diamantolopoulos (2003)** conducted a study on 1697 questionnaires in Britain. According to this study, demographic variables were found insufficient to determine green consumer profile. However, again according to this study women are more related to the environment and women display pro environmental behaviors. Married couples are more likely to have pro environmental behavior. There is a negative correlation between age and pro-environment attitude. There is a positive correlation between education, information and attitudes and behavior. However, in high social class, environmental information and environmental quality, and participating in green activities hypotheses were not supported (Keleş, 2007).

**Belz & Peattie (2008)** stated that green marketing and environmental marketing in the late 1980's focused on green consumers who would be willing to pay premium prices for more environmentally friendly products. Many consumers choose products that do not damage the environment over less environmentally friendly products, even if they cost more. With green marketing, advertisers focus on environmental benefits to sell products such as biodegradable diapers, energy-efficient light bulbs, and environmentally safe detergents. Green marketing encourages consumers to use eco-friendly products and manufacturers to develop more environmentally beneficial products.

### **Objectives of the study**

1. To study the importance of green marketing.
2. To analyse the effect of green marketing.
3. To identify if consumers are willing to pay more for eco-friendly products.

### **Eco-Friendly Products**

1. Cloth Napkins
2. Reusable Water Bottles
3. Cloth or Cotton Shopping Bags
4. Recycled Fabric Clothes
5. Rechargeable Batteries
6. Solar Powered Outdoor Speakers

## **III. RESEARCH METHODOLOGY**

A quantitative approach was adopted through the use of questionnaires. The sample comprised 100 respondents and it was decided that respondents from various departmental stores. Convenience sampling was adopted, whereby respondents who were easily accessible were chosen. This was done with a view to cost and time savings. The questionnaire was based on the literature review. The questionnaire was divided into two sections. The first section consisted of environmental dimensions using a five-point Likert scale: 1 = strongly disagree and 5 = strongly agree. The second section comprised demographic questions pertaining to age, gender, education level, occupation and income level. The questionnaire was first pilot tested among a group of 10 respondents. A few minor changes were effected to the questionnaire before final administration. The data were analyzed using SPSS.

#### IV. DATA ANALYSIS

Both descriptive and quantitative analysis of the study was undertaken. For descriptive analysis the assessment of answers from the questionnaire were done to identify the major variables which would have a significant impact on the awareness and purchase behaviour of the potential consumers. The quantitative analysis of the data was undertaken by using both Microsoft excel and SPSS (Statistical Package of social sciences). The data was organized into an easily assimilated, tabulated, understandable form and various statistical and mathematical tools were used for analysis.

**Table –1.1: One way ANOVA table for Green marketing based on Living Area**

Green marketing dimensions	Living area	Mean	S.D	ANOVA Result		Post hog
				F-value	p-value	
General environmental beliefs	rural	4.21	1.41	9.661	0.001*	1 Vs 2,3
	urban	4.84	1.26			
	city	4.93	1.28			
Environmental behavior	rural	4.15	1.29	4.860	0.008*	1 Vs 2,3
	urban	4.75	1.36			
	city	4.67	1.48			
Consumer product	rural	4.33	1.27	3.106	0.046*	1 Vs 2,3
	urban	4.82	1.45			
	city	4.68	1.36			

#### Interpretation

Table 1.1 describes the customer opinion towards green marketing based on living area of the customer. Living area is classified into three groups namely rural, urban and city. Further, mean and standard deviation values calculated. The city customers are highly rated towards the general environmental beliefs (4.93). But, urban customers are highly rated towards the environmental behavior (4.75) and consumer product (4.82), the corresponding standard deviation values indicated that customer opinion towards their green marketing dimensions is not varied as much. Hence, it is hypothesized as follow

**Ho:** there is no difference of opinion towards green marketing dimensions based on living area.

In order to examine the above stated hypothesis, One way analysis of variance test is applied. The corresponding p-values are significant at one and five percent level. Hence, hypothesis is rejected. It is stated the customer opinion towards green marketing level is varied based on customer living area. Further, Bonferroni post hog test is employed to identify which living area is varied. It is found that rural customer's opinion is varied with other area customers. It is found that city customers are having higher level of general environmental beliefs than others. Environmental behavior and consumer product is found to be high among rural and urban customers.

**Table 1.2: Regression Analysis is used to identify the effect of general environmental belief Dimensions on green marketing**

R	R Square	Adjusted Square	R	F-value	p-value
0.803	0.694	0.654		74.468	0.001*

Predictors	Unstandardised Coefficients		Standardized Coefficients	t-Value	p-Value
	B	Std. Error	Beta		
Constant	-0.827	1.080	-	-0.766	0.444
Population Size	3.031	0.511	0.519	5.931	0.001*
Human Interfere	-3.043	0.561	-0.456	-5.426	0.001*
Harmony With Interface	0.895	0.464	0.185	1.929	0.005*
Industrialized Society	2.871	0.426	0.435	6.743	0.001*

**Ho:** General environmental beliefs are not influence the green marketing.

Table 1.2 portrays the effect of General environmental beliefs related factors on green marketing. Here, population size, human interferences, harmony with interface industrialized society considered as independent variables and the overall green marketing score treated as dependent variable.

Further, multiple regression is employed, to test the above stated hypothesis. The measure of strength of association in the regression analysis is given by the co-efficient of regression determination denoted by the adjusted R-square value is found to be 0.658 which is implied that 65.8 percent of the variation on the level of green marketing is explained by the independent variable such as population size, human interference, harmony with interface industrialized society  
Green marketing =  $827 + 3.031(\text{population size}) + 2.871(\text{industrialized society}) + 0.895(\text{harmony with interface}) - 3.043(\text{human interference})$

The p-value is found to be significant at one percent level. Hence, the stated hypothesis is rejected. It is inferred that the general environmental belief related factors are influencing the green marketing.

In the regression equation, the unstandardised beta value indicates, population size to have one unit increases in the green marketing, should be increases of 3.03 levels, when other factors remains constant. Similar, harmony with interface is influenced at 2.87 and industrialized society is influenced at 0.89 levels on green marketing.

It is found that the general environmental beliefs related factors influenced the green marketing. However population size, harmony with interface and industrialized society are highly influenced the green marketing. But, human interference are not influenced the green marketing.

## V. FINDINGS

Majority of the respondents knew about the eco-friendly products. The most familiar eco-friendly products among respondents are organic vegetables and consumable items. The major reason that the customers are not ready to pay more for eco-friendly products is the high cost of the product that cannot afford by the customers and some respondents have the opinion that cannot see the benefit of the product. Respondents on an average (60%) say that information about green features of green marketing products is not available. Customers have a positive perception towards environmentally friendly products. They are ready to prefer eco-friendly products than non-eco-friendly products. But if the products are more priced customers shows a neutral attitude towards this. The major factors affecting purchase of green products are product price, availability of products and awareness about the products.

### Suggestions

Environment friendly behaviour is far and difficult to attain. Hence environmental awareness and attitudes should be created in the minds of consumers during their childhood days itself. It requires rigorous efforts at school level to create an attitude of environment sustainability. Eco clubs play an important role in creating environmental awareness amongst the future generation. So eco clubs should be there in all schools and colleges. Expand the consumer awareness of green products by creating effective green marketing campaigns or environmental related activities. The companies should try to more focus on the green features of the product in their marketing activities. Price is the attribute that consumers reflect on when making a green purchasing decision. Consumers are less likely to purchase green products if they are more expensive. So price should be reduced for the eco-friendly products.

## VI. CONCLUSION

Thus from the analysis which carried out in this study, we can conclude that the people have awareness about the eco-friendly products and they show a positive attitude towards green marketing and green products. But they should try to increase the awareness level into another extent which means a wide variety of eco-friendly products is available today. But the customers' awareness level limited to organic vegetables and consumable items. Price is the attribute that consumers reflect on when making a green purchasing decision. Consumers are less likely to purchase green products if they are more expensive. So efforts should make to reduce the price of eco-friendly products. Constant efforts should be taken by Government, NGOs, Educational institutions, Business houses and society at a large to create awareness among the consumers to promote eco-friendly buying behaviour.

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