

A study of Consumer Awareness for Green Marketing

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Abstract

In current business scenario environmental issues plays an important role in business. In most of the country's government is concerned about the environmental problems. In today's business environmentally, sustainable development has become a key issue. Thus, Green marketing is one of the strategies a firm can adopt to achieve this.

Green Marketing refers to the process of selling products and /or services based on their environmental benefits. Such a product or service should be eco-friendly or produced in an eco-friendly way. In today's environmentally conscious world the word "Green" has become a buzz word. Green causes are increasingly popular with public making green marketing good for public relations and sales.

Green Marketing has been defined as "The study of the positive and negative aspects of marketing activities on pollution, energy depletion and non-energy resource depletion".

However, one of the basic assumptions of green marketing is that potential consumers would be willing to pay more for a "green" product. The present paper tries to analyse the awareness and willingness of the consumer to buy green products.

Introduction

Global warming, carbon credits, ozone depletion, environmental hazards, environment impact assessment have all become common terminology in the 21st century and it is an indication of environmentally conscious society. Society becomes more concerned about natural environment when ill effects of environmental degradation are experienced by the society. One of the reasons for this degradation is problems that arise out of mass production, mass consumption and mass marketing of environmentally irresponsible products. As a result, business houses have begun to modify their behavior to address these kinds of 'new' concerns of the society. Conventional marketing involves selling products and services that satisfy consumer needs at affordable prices, but green marketing has the additional challenge of defining 'what is green' and developing and selling products that the consumer will like.

Green marketing also known as environmental marketing involves a range of activities including product modification changes in production process, changes and modifications in packaging as well as modifying advertising. As defined by Tapan K. Panda "Green or Environmental Marketing consists of all activities designed to generate and facilitate any exchange intended to satisfy human needs or wants such that the satisfaction of these needs and wants occurs with minimal detrimental impact on natural environment".

It is imperative that when we talk and think about green products; to be 'green' they should claim that they are 'less environmentally harmful' rather than environmentally friendly. Thus, environmental marketing should look at minimizing environmental impacts. Environmentally friendly products balance environmental compatibility with performance, affordability and convenience. They are typically durable, recyclable, and non-toxic and should be made from materials which are either decomposable or recyclable. These products should have minimum packaging and embody low environmental energy impact.

We all know that the resources on this earth are limited and human wants are unlimited. Therefore, it is important for the marketers to utilize resources efficiently without waste as well as to achieve the objectives of the organisation. There is a growing interest among the consumers all over the world regarding protection of environment. World wide evidence indicates that people are concerned about the environment and are accordingly modifying their behaviour. Green marketing has emerged because of this and it speaks of a growing market for sustainable and socially responsible products and services.

As debates about how to cope with impact of human activity on environment continue in full force, such as global warming talks that dominate political circles, business have entered the 'green market'. Firms typically provide consumers eco-products or adopt green practices, and some firms simultaneously offer eco- or green products while committing to eco-production and/ or eco philanthropy. Green business strategies have appeared in a wide range of industries and address a wide range of eco issues. A few examples of green products are hybrid automobiles, eco-friendly paint, organic food, recycled copy paper and environmentally friendly cleaning products. Businesses also promote their recycling efforts, use of wind power, or other practices intended to minimize the environmental impact of their actions.

Firms in market economies make their production and marketing decisions based on many factors, including government regulations and consumers, which are primary forces shaping consumer products industry. Consumer preferences regarding eco-friendly products and government regulation provide incentives for incorporating environmental and other green objectives in the firm's profit maximisation decision. Some firms are proactive with respect to greening of their products while for some firm's eco-friendly practices are a by-product of cost minimization strategy.

An important aspect of green marketing is the willingness and ability of the consumers to buy green products and pay more for it. The US market for example has 3.5 million confirmed green consumers while European market also has a consumer base for Green Products.

However, there is very little data available on the consumer base in India or the willingness and ability of the consumer to pay extra for green products. The present paper is an attempt to study the consumer awareness of people in the city of Kolhapur.

Objectives

1. To study the awareness of consumers with respect to green marketing.
2. To find the willingness of the consumers to pay more for green products.
3. To find out awareness about eco- friendly or green products.
4. To analyse relationship between education and income with awareness of green products.

Hypothesis:

1. Consumers are aware about green marketing.
2. Consumers are willing to pay more for eco-friendly products.

Methodology of Study

Both primary data and secondary data has been used for the research paper.

1. Primary Data

This includes questionnaire survey of people from the study area.

2. Secondary Data

Various published articles from journals, books, and internet websites.

Sample Design

The present study has been conducted for the city of Kolhapur. The total population of the city is approximately 6,00,000 which would roughly amount to 1,20,000 households. However, the researchers have only considered the middle class and higher middle class as our respondents. Due to limitations of time and cost the questionnaires were collected through convenient sampling method. A total of 100 cases were considered for the analysis.

Analysis and Interpretation

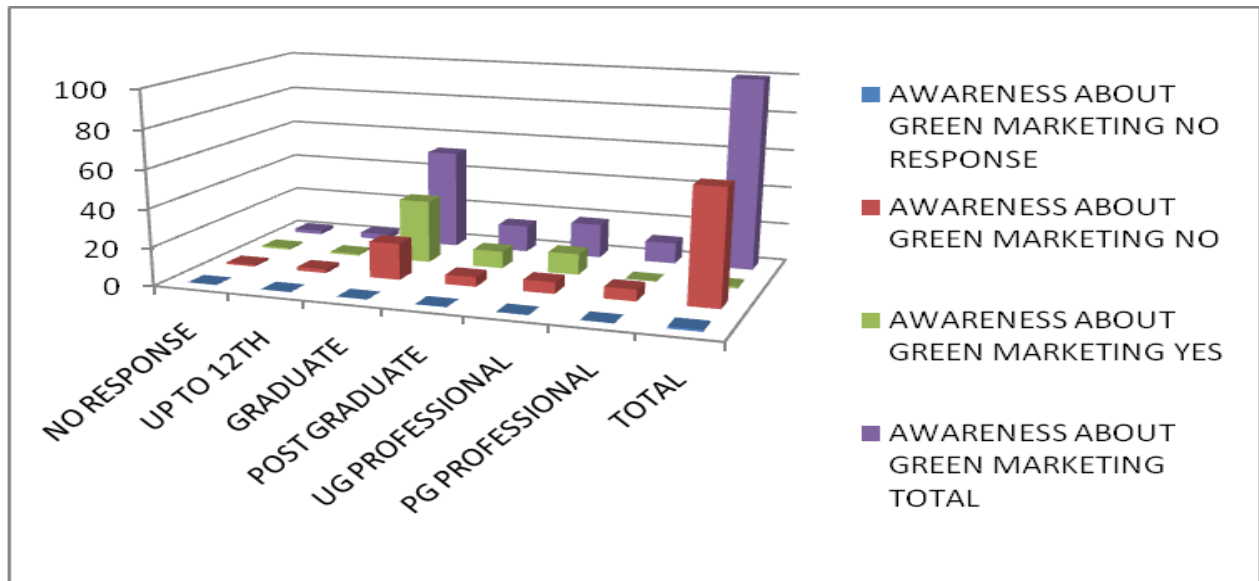
The analysis of the data has been done with the use of SPSS software.

Cross tabulation of the variable of green marketing was done with the variables- educational qualifications, occupation and income. Similarly, cross tabulation was also done for willingness to buy expensive eco-friendly products, and preference for eco-friendly. The results and interpretation are as follows:

1. Table No. 1 Educational Qualification and Awareness About Green Marketing

EDUCATIONAL QUALIFICATION	AWARENESS ABOUT GREEN MARKETING						TOTAL
	NO RESPONSE		NO		YES		
	No.	%	No.	%	No.	%	
NO RESPONSE	0	0	1	50	1	50	2
UP TO 12TH	0	0	2	66.7	1	33.3	3
GRADUATE	0	0	19	36.5	33	63.5	52
POST GRADUATE	0	0	5	35.7	9	64.3	14
UG PROFESSIONAL	0	1	6	38.9	11	61.1	18
PG PROFESSIONAL	0	0	6	54.5	0	0	11
TOTAL	1		60		1		100

Graph No. 1 Relationship between Educational Categories and Awareness about Green Marketing

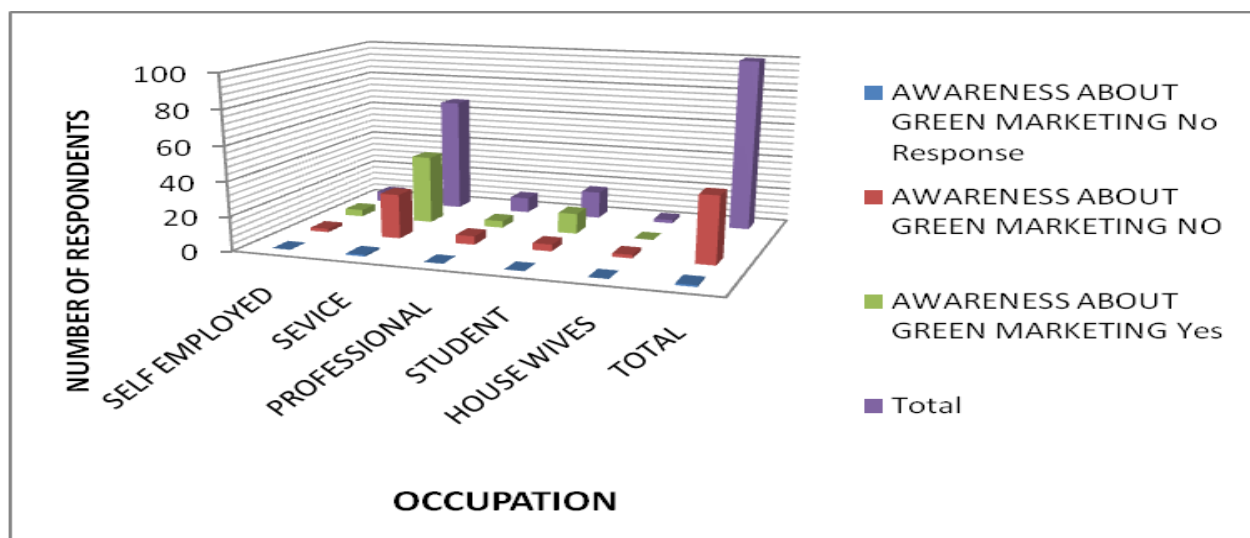


It is clear from the above table that more consumers are aware about green marketing. This trend is visible across all categories of educational level. From the different categories of educational strata graduates and post graduates show an awareness level of 63.5% and 64.3% respectively. While among the professionals the awareness for graduates and post graduates is 61.1% and 45.5% respectively. Over all 60% of the respondents were aware of the concept of green marketing. Only those consumers who have very low level of education are unaware about the concept of green marketing.

2. Table No. 2 Occupation and Awareness about Green Marketing

OCCUPATION	AWARENESS ABOUT GREEN MARKETING						Total
	No Response		NO		Yes		
	No.	%	No.	%	No.	%	
SELF EMPLOYED	0	0	2	20	4	80	6
SEVICE	1	1.5	26	38.80	40	59.70	67
PROFESSIONAL	0	0	5	55.55	4	44.44	9
STUDENT	0	0	4	25	12	75	16
HOUSE WIVES	0	0	2	100	0	0	2
TOTAL	1		39		60		100

Graph No. 2 Relation between Occupation and Awareness about Green Marketing



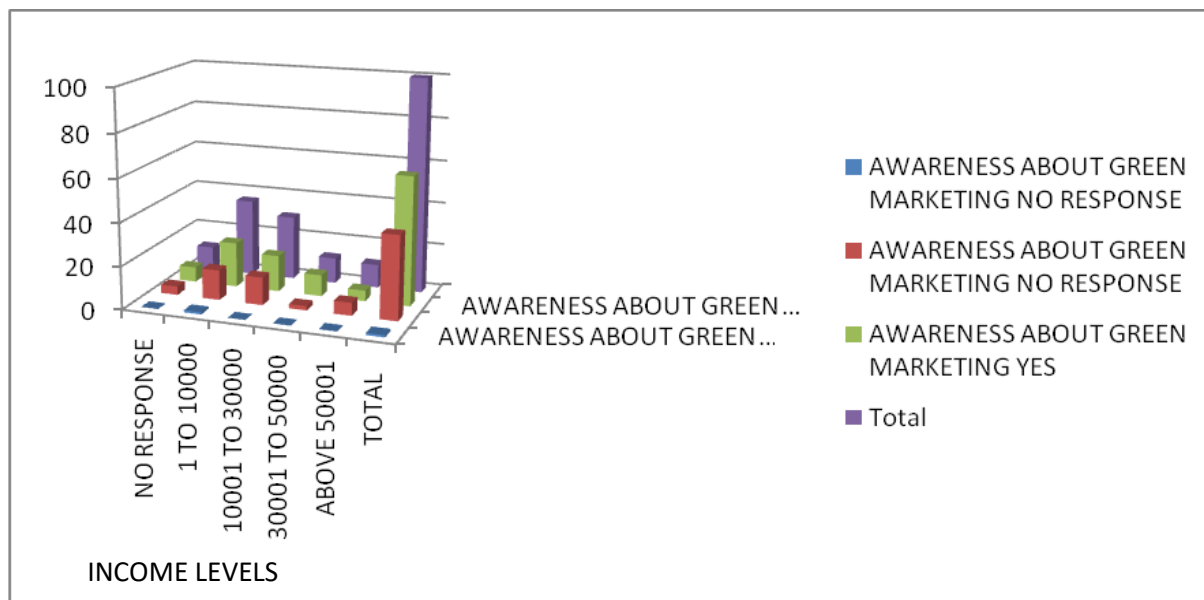
It is evident from the above table that respondents belonging to service category show highest awareness i.e., 59.70% regarding awareness about green marketing. Similarly, among students the awareness levels are exceptionally high – 75%.

3. Table No. 3 Income and Awareness about Green Marketing

INCOME	AWARENESS ABOUT GREEN MARKETING						Total
	NO RESPONSE		NO		YES		
	No	%	No	%	No	%	
NO RESPONSE	0	0	4	36.36	7	63.52	11
1 TO 10000	1	2.77	14	38.33	21	58.33	36
10001 TO 30000	0	0	13	43.33	17	56.66	30
30001 TO 50000	0	0	2	16.67	10	83.33	12
ABOVE 50001	0	0	6	54.55	5	45.45	11

TOTAL	1	39	60	100
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Graph No. 3 Relation between Income and Awareness about Green Marketing



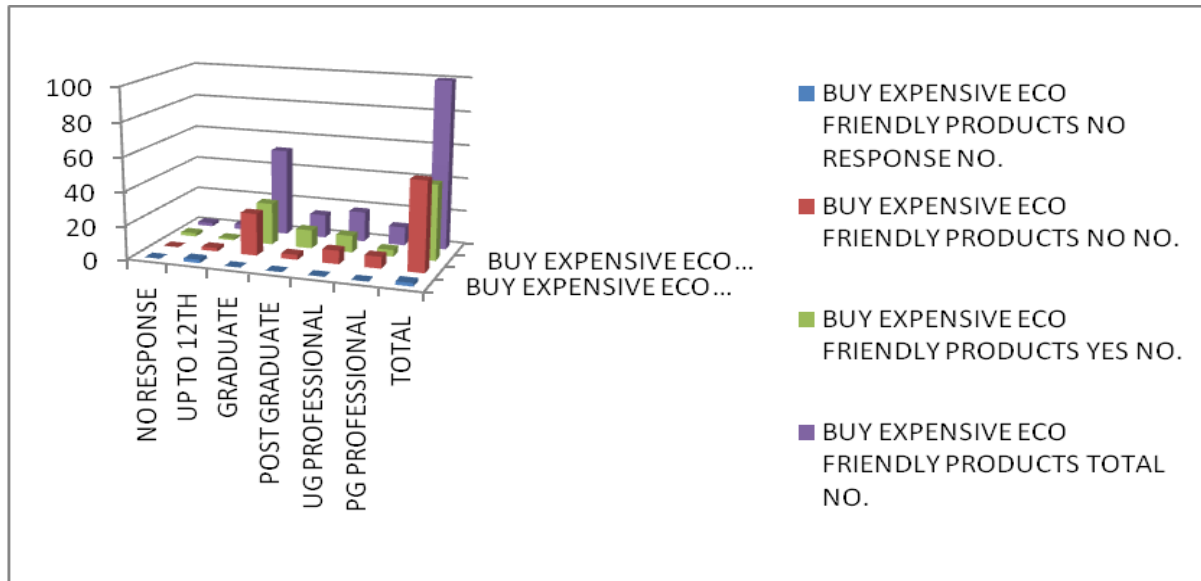
Again, it is evident that in various income categories the trend shows overall awareness of green products across the class barriers. Highest levels of awareness are 83.33% in the category 30,000 – 50,000. The category of 0 – 10,000 shows an awareness of 63.52%.

Table No. 4 Educational Qualification and willingness to buy Expensive Eco-friendly Products

EDUCATIONAL QUALIFICATION	BUY EXPENSIVE ECO-FRIENDLY PRODUCTS						TOTAL
	NO RESPONSE		NO		YES		
	NO.	%	NO.	%	NO.	%	
NO RESPONSE	0	0	0	100.	2	0	2
UP TO 12TH	2	0	2	33.33	1	66.67	3
GRADUATE	0	0	25	50.00	25	50.00	52
POST GRADUATE	0	0	3	21.42	11	78.58	14
UG PROFESSIONAL	0	0	8	44.45	10	55.55	18
PG PROFESSIONAL	0	0	7	63.64	4	36.36	11

TOTAL	2	53	45	100
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Graph No. 4 Educational Qualification and willingness to buy Expensive Eco-friendly Products



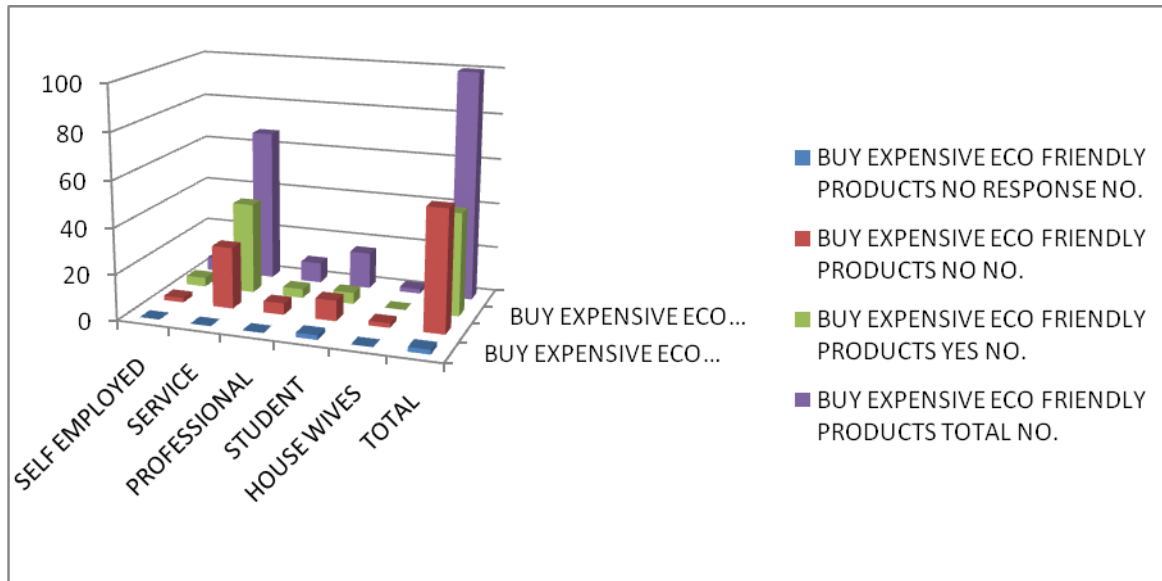
Of the total respondents 53 % are willing to buy expensive eco friendly products. However, in the category of PG Professionals only 36 % are willing to buy such products. So, the assumption that consumers who are highly educated and have money to spend might is not necessarily aware of or willing to buy expensive eco-friendly products.

Table No. 5 Occupation and willingness to buy Expensive Eco-friendly Products

OCCUPATION	BUY EXPENSIVE ECO-FRIENDLY PRODUCTS						TOTAL
	NO RESPONSE		NO		YES		
	NO.	%	NO.	%	NO.	%	
SELF EMPLOYED	0	0	2	33.33	4	66.67	6
SERVICE	0	0	27	40.30	40	59.70	67
PROFESSIONAL	0	0	5	55.55	4	45.45	9
STUDENT	2	12.5	9	56.25	5	31.25	16
HOUSE WIVES	0	0	2	100	0	0	2

TOTAL	2	53	45	100
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Graph No. 5 Relation between Occupation and willingness to buy Expensive Eco-friendly Products

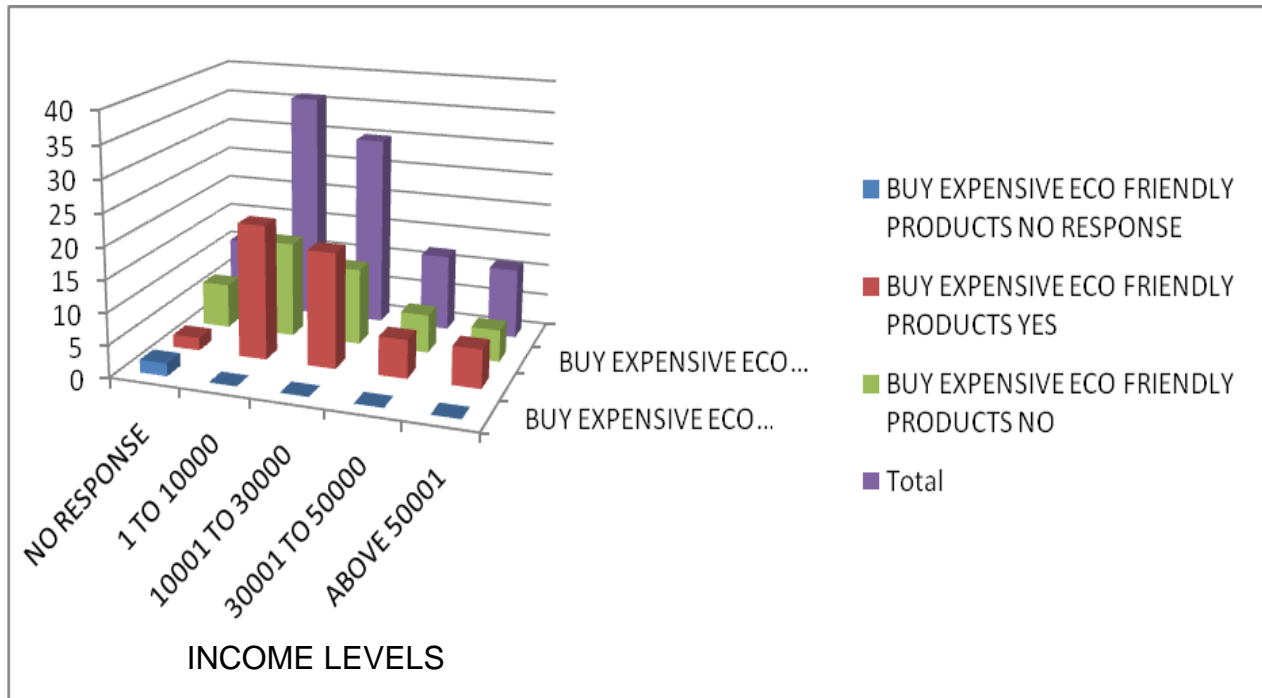


People across all occupation categories are willing to buy expensive eco-friendly products. However the percentage of willingness to buy these products varies from 31.25% for the students, 45.45% for professionals, 59.70% for service and 66.67% for the self employed. Overall willingness to buy expensive eco-friendly products is only 45%.

Table No. 6 Income and Willingness to Buy Expensive Eco-friendly Products

		BUY EXPENSIVE ECO-FRIENDLY PRODUCTS						Total
		NO RESPONSE		YES		NO		
		No	%	No	%	No	%	
INCOME	NO RESPONSE	2	18.18	2	63.64	7	18.18	11
	1 TO 10000	0	0	21	41.67	15	58.33	36
	10001 TO 30000	0	0	18	40.00	12	60.00	30
	30001 TO 50000	0	0	6	50.00	6	50.00	12
	ABOVE 50001	0	0	6	45.45	5	54.55	11
Total		2		53		45		100

Graph No. 6 Relation between Income and Willingness to Buy Expensive Eco-friendly Products.

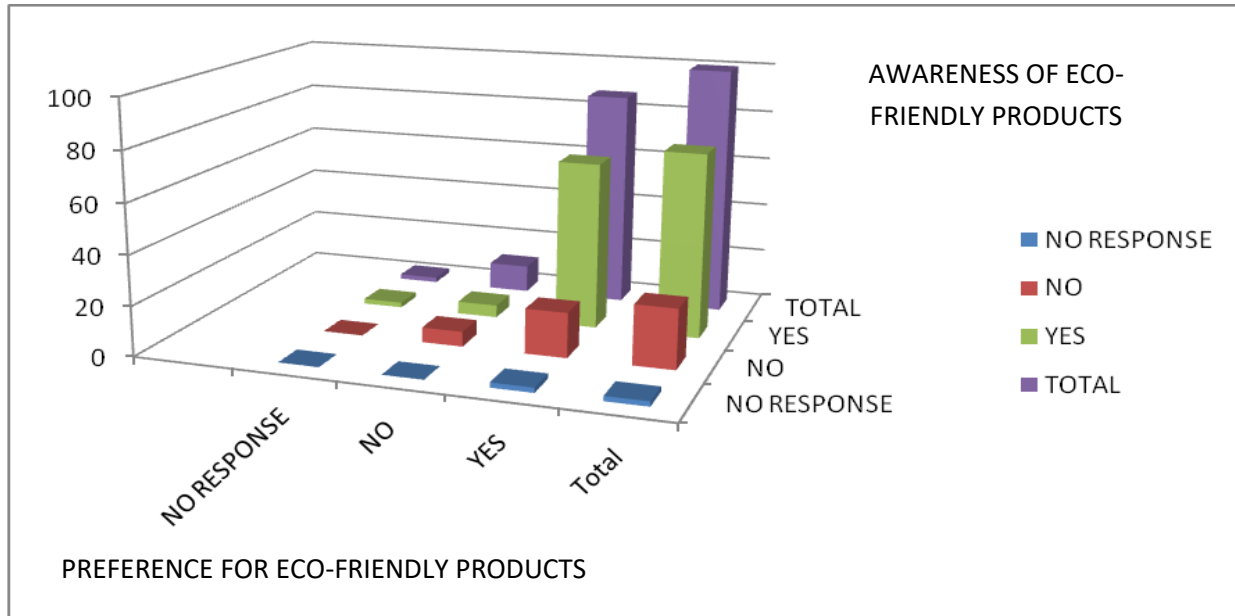


The above graph shows the trend with respect to overall willingness to buy expensive eco-friendly products. On an average 53% of the respondents expressed their willingness to buy expensive eco-friendly products. 50% of people having an income between 30,000 – 50,000 show willingness to buy expensive eco-friendly products while 41.7% and 40% of people having an income between 1 – 10,000 and 10,000 – 30,000 respectively show willingness to buy expensive eco-friendly products.

Table No. 7 Awareness of Eco-Friendly Products and Preference for Eco-Friendly Products.

AWARENESS OF ECO-FRIENDLY PRODUCTS	PREFERENCE FOR ECO-FRIENDLY PRODUCTS						TOTAL
	NO RESPONSE		NO		YES		
	No	%	No	%	No	%	
NO RESPONSE	0	0	0	0	2	100	2
YES	2	2.70	5	6.76	67	90.54	74
NO	0	0	6	25	18	75	24
TOTAL	2		11		87		87

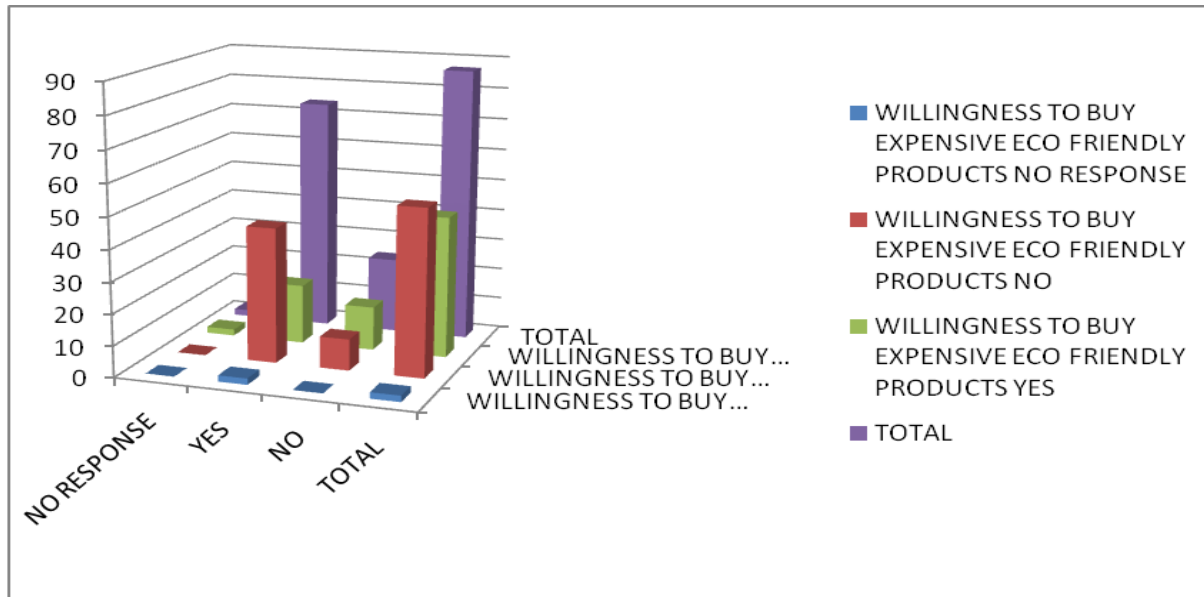
Graph No. 7 Relation Between Awareness of Eco-Friendly Products and Preference For Eco-Friendly Products.



Here again we find that out of the 74 respondents who are aware of eco-friendly products 67 i.e., 90 % show preference for eco friendly products. And out of the 24 respondents who are not aware of these products 18 of them are still willing to buy eco-friendly products. On an average 87 % of the respondents shows willingness to buy eco friendly products.

Table No. 8 Awareness of Eco-Friendly Products and Willingness to Buy Expensive Eco-friendly Products.

AWARENESS OF ECO-FRIENDLY PRODUCTS	WILLINGNESS TO BUY EXPENSIVE ECO-FRIENDLY PRODUCTS						TOTAL
	NO RESPONSE		NO		YES		
	No	%	No	%	No	%	
NO RESPONSE	0	0	0	0	2	100	2
YES	2	2.71	43	58.11	29	39.18	74
NO	0	0	10	41.66	14	58.34	24
TOTAL	2		53		45		100

Graph No. 8 Awareness of Eco-Friendly Products and Willingness to Buy Expensive Eco-friendly Products.

The above graph shows the willingness of people to buy products that are expensive in because of being eco-friendly. Though people are aware of eco-friendly products the willingness to buy expensive products is low i.e., 39.18%. Even among the category where awareness about eco-friendly products is negative the willingness to buy expensive eco-friendly products is only 58.34%.

CONCLUSIONS

1. Overall 60% of the people are aware of the concept of 'Green Marketing'. Therefore, the hypothesis stated is proved.
2. No significant relationship is visible between income, educational qualification and occupation with respect to awareness about Green marketing.
3. It seems that people who belong to the service category among occupation are more aware and willing to buy eco-friendly products.
4. Consumers who are aware of eco-friendly products and prefer ecofriendly products are not willing to buy expensive eco-friendly products. Hence the second hypothesis is rejected.

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