

# Effect of green products on consumer attitude –a sustainable approach

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## Abstract

In the era of globalization the demand for green product undoubtedly exists, greening activities provide opportunity to the companies to increase their market-share by introducing eco friendly products. No doubt, remarkable competition is going on among the consumer, industrial and service products. Since society becomes more anxious with the natural environment while consumer behaviour become more challenging toward greening activities of developing country like India. This paper focuses the behaviour of the consumer and greening activities about the green products so called environmental friendly products. The study explores consumer perceptions and readiness about environment friendly products particularly people in emerging economies like India have high concern for greener environment and have an overall positive attitude towards green marketing.

## Keywords

Sustainability, Consumer Behaviour, Green Product, Variables

## 1. Introduction

Indian society becomes more anxious with the natural environment; businesses have started to adjust their behaviour in an attempt to address society's "new" concerns. Some businesses have been quick to accept concepts like environmental management systems and waste minimization, and have integrated environmental issues into all organizational activities. People in developing country like India are conscious about the less environment friendly product due to their own welfare that is why this issue is very modern topic for especially Asian countries particularly in India. The paper emphasized the behaviour of the consumer and greening activities about the green products so called environmental friendly products.

According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, 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 USA, 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.

Consumer behaviour is the study of how people buy, what they buy, when they buy and why they buy. It blends elements from psychology, sociology, socio psychology, anthropology and economics. It attempts to understand the buyer decision making process, both individually and in groups. It studies characteristics of individual consumers such as demographics, psychographics, and behavioural variables in an attempt to understand people's wants. Belch and Belch define consumer behaviour as 'the process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and desires. The study of consumers helps firms and organizations in improving their marketing strategies.

### **1.1. Sustainability**

The concept of combining environmental concern (which traditionally involves encouraging conservation) with the discipline of marketing management (which aims to stimulate and facilitate consumption) can appear somewhat paradoxical. Sustainability is the key stone of the green marketing philosophy, which resolves this apparent paradox. A sustainable approach to consumption and production involves enjoying a standard of living today which is not at the expense of the standard of living that can be enjoyed by future generations (Pierre and Prothero, 1997). Charter (1992) mentioned that sustainability is at the nucleus of the green marketing philosophy. Van Dam and Apeldoorn (1996) argued that the proactive elements of green marketing are being abandoned in favour of a responsive attitude, and environmental issues are converted from a societal challenge into a marketing problem. They indicated that sustainability as a social goal requires a change in virtually everyone's behaviour while environmental reform is a growing necessity at present, it is part of a bigger agenda in the urbanising world of developing countries like India.

### **1.2. Green Marketing and Marketing Mix**

#### **1.2.1. Green Marketing**

The world is becoming more aware of the environmental stresses humans are placing on the planet. Media such as newspapers, magazines, television, and other media feature wide coverage of environmental problems, whether they are local (e.g., depleted fisheries and air pollution) or global (e.g., ozone depletion and climate change). Consumers now display concern about environmental deterioration. Increasingly often they ask how much impact a product will have on the environment during its lifespan or during its disposal. This is the major impetus for green products and green marketing. A closely related reason is the competitive advantage or sales potential that some corporations now see in green products.

Indeed green marketing is an attempt to characterize a product as being environmentally friendly. In general green products are made from recycled content and/or designed for reuse, recycling, or remanufacturing. They are usually non-

toxic, energy efficient, and durable. However, green is a relative term and depends on the individual situation.

#### **1.2.2. Green Marketing in Asia**

While green marketing has taken the advanced countries as US and Europe by storm, marketers and consumers in Asia attempt few signs of jumping on the bandwagon. While Japan is the main exception, where eco-friendly slogans are emblazoned on goods ranging from designer clothes and beer cans to gift-wrapping in department stores. Just how deep this commitment goes is anyone's guess. In elsewhere Asia, environmental problems receive scant attention as both consumers and producers concentrate their energies on attaining the goals of economic development. Tropical rain forests continue to be cut down, waterways and air are befouled and concern for the environment is often dismissed as a luxury for rich countries only.

The ways of the West have spread to Asia, changing age-old, environmentally sound traditions. The supermarket is replacing wet markets; the convenience of canned and bottled products is weaning housewives away from fresh foods bought daily; plastic, glass, tin and polystyrene are wrapped around purchases with blithe disregard for their future as garbage or litter, and plastic bags are supplanting the housewife's basket in which all purchases once travelled home from the market.

The concepts of convenience and disposability — the very qualities which appeal to evolving consumer markets — have dangerous implications for the environment and its resources. This cannot go on forever—the problems facing the future of the Earth will not get solved by themselves. At the very least, as wealth grows in this part of the world, consumers will demand better surroundings in which to enjoy their rising standards of living. Then the pressure will be on marketers to provide buyers with goods produced and presented in a more ecologically friendly way. This trend is already apparent in Korea and Taiwan where consumer pressure groups are fighting for a cleaner environment. Marketers may not feel motivated to change until more Asians demand greenness with their purchasing power. But those who wish to capture some of the North American, European or Australian markets had better be prepared to make their products meet the standards now being demanded by consumers there.

#### **1.2.3. Green Marketing in India**

It is far from a groundswell yet, but slowly corporate across India are hitching themselves to the green bandwagon. A survey is conducted by Business Today & Tata Energy Research Institute to identify top ten green companies of India. In the year 2008, Business Today and the Tata Energy Research Institute decided to conduct the first-ever study of environmental practices in corporate India. The survey had two aims. The first was to analyze key trends and dominant environmental practices as observed in Indian companies. The second was to identify the 10 'greenest' companies in terms of the maturity of their environmental systems and practices. A total of 11 parameters were identified for analyzing and evaluating the corporate.

### 1.2.4. Present Trends of Green Marketing in India

*-Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives*

Firms have realized that consumers prefer products that do not harm the natural environment as also the human health. Firms marketing such green products are preferred over the others not doing so and thus develop a competitive advantage, simultaneously meeting their business objectives.

*-Organizations believe they have a moral obligation to be more socially responsible.*

This is in keeping with the philosophy of CSR which has been successfully adopted by many business houses to improve their corporate image.

*-Governmental bodies are forcing firms to become more responsible*

In most cases the government forces the firm to adopt policy which protects the interests of the consumers.

*-Competitors' environmental activities pressure firms to change their environmental marketing activities*

In order to get even with competitors claim to being environmentally friendly, firms change over to green marketing. Result is green marketing percolates entire industry.

*-Cost factors associated with waste disposal or reductions in material usage forces firms to modify their behavior*

With cost cutting becoming part of the strategy of the firms it adopts green marketing in relation to these activities. It may pursue such as firm develops a technology for reducing waste and sells it to other firms and a waste recycling or removal industry develops.

### 1.2.5. Marketing Mix

By considering the four P's of Marketing Mix Belz and Peattie says that rather than operating the 'Green Marketing' it must be transformed into 4 C's, namely, Customers Solutions, Cost to the customer, capacity to conveniences and communication. However there is need of marketing mix for promotion of green products in the market namely

1. Product Mix: producer should offer such ecological products which should not harm the environment but also should protect it and be able to cope up the environmental issues.

2. Price Mix: Pricing for green products may be dearer than the conventional one. Green Pricing focuses the people, planet, and profit in a way that takes the care of the health of employees and communicates and ensures the effective and efficiently productivity.

3. Place Mix: This mix is one of the major and crucial tasks for marketers. The main focus is on ecological packaging. Green place is about the managing the logistic so as to cut down the transportations emissions, their by in effect aiming towards the reducing the carbon footprint. The marketing of local and seasonal products s e.g. vegetables, fruits, form the regional farmers is easier way to market the 'Green' then those products imported.

4. Promotion Mix: A communication with the market

should establish the path with the environment aspect or elements. E.g. the company must be certified by internationally recognized body. This may be published so as to improve the image of firm, company. In addition to this, the company incurs expenditure on environmental protection should be advertised by spreading message among the people.

### 1.2.6. Green Products

In general, green product is known as an ecological product or environmental friendly product. Shamdasami et al., (1993) defined green product as the product that will not pollute the earth or deplore natural resources, and can be recycled or conserved. It is a product that has more environmentally sound content or packaging in reducing the environmental impact (Elkington and Makeover, 1988; Wasik, 1996). In other words, green product refers to product that incorporates the strategies in recycling or with recycled content, reduced packaging or using less toxic materials to reduce the impact on the natural environment. Krause (1993), in his research found that consumers were becoming more concerned about their everyday habits and the impact on the environment. The outcome of this is that some of the consumers translated their environmental concern into actively purchasing green products commitment (Martin and Simintiras, 1995). Consumers who are aware of and interested in environmental issues are called green consumers (Soonthonsmai, 2007). These green consumers usually organized petitions, boycotted manufacturers and retailers and actively promote the preservation of the planet (Fergus, 1991). Ottman (1992) reported that consumers accepted green products when their primary need for performance, quality, convenience, and affordability were met, and when they understood how a green product could help to solve environmental problems.

### 1.2.7. Customer Realization Indicators on Green Products

Green product realization by green customer is based on some indicator while they are in buying point. Here the researchers found some common indicator, which indicates that the particular customer is green.

1. *Careful and responsible*: when green customer in purchasing point, they always responsible and careful towards environment, hazardous or uncertain future. These customers group introduced as "deep greens".

2. *Powerful consumers*: Green Consumers always demands multiple option or alternative products so that they can buy green product, as they like best. For example, CNG in India and four-stroke vehicle is the almost alternative product and green consumers always intend to get several option.

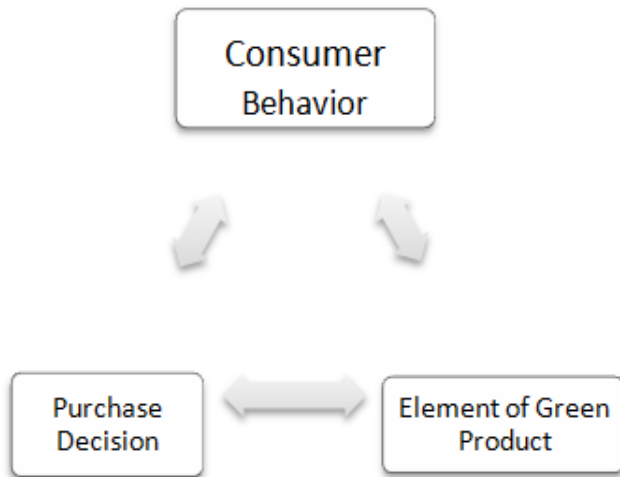
3. *Consciousness for recycling*: Interest on the recycling benefits is high because consumers can link it to real benefits.

4. *Health and quality perceptions*: Consumers have considered products made from recycled content to be inferior, even unclean. Green consumers always make sure that they are safe and secure in the context of health and

quality as well.

5. *Reliability*: Green consumer wants to make sure that the product, which is green, is a reliable in all aspects. They always search for statistics of green product so that they can judge their beliefs.

## 2. Research Problem and Objectives



*Fig 1. Consumer Demographic Variables*

Environmental sustainability is difficult to ignore, so business organizations have to recognize the competitive advantages and business opportunities to be gained from green marketing although it may cost to the organization. Consumers ready to adapt green product and try to understand the markets while green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. (Michael Jay Polonsky, 1994). Today, marketing in Asia particularly India use environment friendly product packaging and modify the products to minimize the environment pollution. However there is a big argument among the marketing philosophers regarding attractiveness of green product to customers in developing country like India. With this background, the researcher made attention on attractiveness of green marketing strategies in India. The Main objectives of the study are

- 1 Realize all about concept of green, green consumer and green product.
- 2 Investigate the consumer attractiveness towards green products and their impact of buying decision.
- 3 Sustainability of consumer behaviour towards green product.
- 4 Evaluate consumer attitudes and perception regarding greening activity under four value-added areas particularly green product with package, place and promotion that lead towards the motivation of consumption.
- 5 Identify the impacts of green products through variables.

In this study, researcher conceptualized the attempt to

build relationship between key variables of green marketing with product and other variables such as package, distribution, promotion and buying decision. Those relationships may vary according to the demographic variables such as age, sex, education which are very important in purchase decision.

According to the study in Indian supermarkets, researcher emphasized that marketers can use different tools relating to independent variables in order to determine the effectiveness of green marketing practices. It is also necessary to examine the relationship between two key variables and other variables influenced on dependent variable.

### 2.1. Review of Literature

In this section the researcher aims to discuss some of the previous researches that are significant for the study. In a study on the crux of green marketing (Subhani 2012) aimed to assess the consumer perception about the brands and products to ensure environmental friendly focuses especially Asian market perspective. Finding and results of the study showed the positive effect on brand preference implies social groups are knowledgeable about environmental issues and products would prefer as green products offered by green brands. The impact of green marketing on the local consumers in the study (Shamnot 2011) aimed to compare the males and females consciousness about not only product and price also, indicated females are more environmental conscious than males, recommended local organization should come forward and take responsibility in order to satisfy the needs of the society. Chen & Chai (2010) investigated to reveal the personal norm is the most important contributor to the attitude towards green products while environmental protection not enough to contribute effectively to consumer attitude on green products.

Consumer not only prefers price and quality but also prefer social and moral values in buying decision. Mazar & Zong (2002). More exposure to green products lead to markedly directly behavioural consequences, Consumption is related to social and ethical, experimented to test the predictions in the phases of establishments, demonstration and extension to clear ethical violations in the study.

Green purchase behaviour of the young local consumer, the role of peer influence, local government involvement and media role to the relationship between each of the factors recommended triangulation is effective for better understanding of the variables (Lee, 2008).

Increasing attention begin given to the issue of environment and social responsibility of business, many professionals and scholars have focused particular attentions on environmentally friendly products. Study indicated seventy percent of US consumers were willing to pay extra for environmentally friendly products and prefer green advertising for promoting their products (Kadlec, 1991, Larochar, Bergerson, and Barbaro, 2001). One investigation concluded in Thailand showed that big companies succeeded in promoting environmental consciousness among Thai consumers which resulted in improving consumer attitudes

towards green products (Johri and Sahasakmontiri, 1998).

## 2.2. Research Methodology

Attempt has been made to gather primary data. In that context, a detailed questionnaire was administered. Meanwhile personal interviews and observations were also made. In order to ensure an acceptable number of responses, a convenience sample was used. It is widely believed that attitudes are best measured by way of multiple measures and the general trend in measuring environmental issues is via several items instead of single-item questions (Gill et al., 1986). The sample was drawn from Aligarh region of U.P India. Researcher selected the sample using combination of convenience and simple random sampling method. As much as possible attempt was made to get the sample comparable basis for convenience of the analysis. Secondary data were collected by website published articles, newspapers, relevant journals etc. 40 size of sample was selected from University undergraduates who follow business management degree from Aligarh Muslim University Aligarh, and the researches had a predetermined discussion with them before the product categories and brands were determined. Basically, they were asked to come up with the free ideas the products available in the city with special attention paid on those of green marketing practices. Thereafter, researches determined the product categories such as food items, beauty soap and detergent respectively.

*Table A. Sample Profile*

District	Number of Respondents
Aligarh	70
Khurja	50
Hathras	40
Total	160

The sample was employed 160 respondents from Aligarh region of U.P India. Respondent category comprised with university students, staff, housewives and business people. The sample size is also enough to generalize findings to the Indian context. Sample mainly consists of graduates, professionally qualified individuals and other completed secondary education, sample consist of seventy males and ninety females customers. Statistical techniques were utilized in this study to analyze data with the help of SPSS technique and other statistical techniques were used in this study.

## 3. Discussion

Consumer started and realized they are members of the wider community and therefore must behave in an environmentally responsible fashion. This directly indicates to the firms that believe they must achieve environmental objectives as well as profit related objectives with the results in environmental issues being integrated into the firm's corporate culture.

Researcher observed the type of mean variances between each of the independent variables and the purchase decision

of the consumers. Table-A shows the correlation of each of the concepts, namely green product, package, price, place and promotion and how each of those variables correlates to the purchase decision.

*Table B. Degree of relationship between testable variables*

Urban and Rural consumer		
Variable-A	Variable-B	Pearson Correlation Coefficient
Green Product	purchase decision	.712
Package	purchase decision	.510
Place/ Distribution	purchase decision	.212
Promotion	purchase decision	.438

In the above table variables classified independent variables into variable –A category and dependant variable purchase decision into variable-B. Analysis clearly shows that green products with packages make the significant impact of customer buying decisions consequently communication with the environment friendly product positively could give significant impact on the buying decisions. Important findings were all variables are having more demographic responses for ages (under fifty years), gender and education. Researchers findings show that 20-35 and 35 and 50 years of aged respondents highly consider eco friendly packaging as most significant variable in buying decision of each product. However, 36 of 18-30 aged customers selected ecofriendly only packaging is important variables as well as a few number of respondents showed place/distributions as important variables.

## 4. Conclusion & Suggestions

On the basis of foregoing discussion this study explores consumer perceptions and readiness about environment friendly products particularly people in emerging economies like India have high concern for greener environment and have an overall positive attitude towards green marketing. Unfortunately many business organizations still in behind the need of the eco friendly society. Study recommends the organizations to follow strategies in order to get benefits from the environmentally friendly approach as green marketing offers business incentives and growth opportunities while it may involve start-up costs, it will save money in the long term. Therefore, in the product strategy, marketers can identify customers' environmental needs and develop products to address this issue, produce more environmentally responsible packages and ensure that products meet or exceed the quality expectations of customers. Based on the analysis marketer can charge high price with highlighting eco friendliness of the products. In case of distribution, obtaining dealer support to green marketing practice is essential, location must differentiate from competitors and it can achieve by in-store promotions and displays by using recycled materials to emphasize the environmental and other benefits while to ensure sustainable environmental friendly by using marketing and effective communication would give better understanding of the

variables related to green marketing in India.

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