

## Awareness of Green Marketing and Its Influence on Consumer Perception: An Exploratory Study

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### Abstract

*The green and environment friendly marketing has gained more importance in India because our country has been facing environmental problems of increased pollution due to industrial growth and development. To prevent environmental degradation, corporate have been identified green marketing as a good marketing philosophy. Nowadays consumers' perception and attitudes have been changed from grey products to green products. Their awareness towards eco friendly marketing influences their buying behavior. Thus the companies have started making use of environment friendly marketing strategies and techniques through the introduction of more eco friendly products. The increased consumer awareness about the environmental crisis forced the marketers to adopt green marketing strategies. The present study is an attempt to analyze the influence of consumers' awareness of green and environment friendly marketing on their buying behavior. The data were collected from 100 consumers of personal care products and cosmetics. Sample respondents include 50 men and 50 women. Convenient sampling technique was adopted to select the respondents. A structured questionnaire has been used to collect primary data from the sample respondents. The findings of the study indicate that the awareness of consumers on green marketing has a significant impact on consumer's buying behavior.*

*Keywords: Green Marketing, Consumer Perception, Eco- Labeling, Eco- brand name, Green Promotion, Green washing.*

### Introduction

Eco- friendly marketing initiatives have gained more significance in recent years because India has faced environmental pressures due to increased industrial development. Companies are forced to adopt green marketing strategies and techniques to address the environmental issues faced by the country. Today most of the companies have accepted the responsibility of protecting the environment because they realize that through the adoption of green marketing strategies they can reduce environmental pollution and increase their profit at the same time (Banerjee et al, 2003). Green marketing is considered as an effective marketing philosophy for the preservation and conservation of our limited

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natural resources. By adopting green marketing strategies and introducing eco- friendly products, companies can enjoy the advantage of reduced wastage in packaging and increased energy efficiency in production.

The growing consumer awareness towards the environmental protection has forced the companies to incorporate eco- friendly strategies in to their operations. This increased consumer awareness towards natural issues influences the perception and buying behavior of the consumers. Manrai et al (1997) reported that knowledge of consumers about the environmental issues decides their green consumer behavior. Eco- friendly marketing enables the manufacturers to gain a significant level of environmental improvement by reducing the use of toxic elements in production, recycling of products and minimizing environmental influence of their products.

Business operations are said to be green when they attempt to minimize wastage in their day to day operations. Eco- friendly marketing is considered as an opportunity for the business to achieve their objectives by being more ethical and socially responsible (Keller, 1987). Introduction of environment friendly product enable the business to take the advantage of consumers' willingness to buy such products. Consumers prefer an eco- friendly product due to various reasons such as it ensure safety, helps to protect the natural deposits and protects the moral and ethical values of the society. The consumers are willing to buy pricier eco- friendly products because they assume it as a premium for the conservation of nature (De Pelsmacker et al., 2009). Thus the present study is an attempt to investigate the effect of consumer awareness of green marketing on consumer perception.

### **Relevance of The Study**

Environmentalism has emerged as a major issue confronting the business world today. Human wants are unlimited, but the resources are limited to meet these unlimited wants of the human being. Thus the business should develop alternative methods to satisfy the unlimited wants of mankind. Go green is considered as an effective corporate strategy for the effective utilization of these limited resources. Adoption of environment friendly marketing strategies and techniques plays an important role in the buying intention of the consumers (Rahbar & Wahid, 2011). Therefore the study is relevant in business, cultural and ethical context.

### **Green Marketing**

Polonsky (2011) have defined green marketing as the corporate efforts made in the design, promotion and distribution of products in such a manner with minimum negative impact on the natural resources. Thus green marketing is a sustainable marketing strategy which promotes the companies to design, produce and distribute eco- friendly products.

## **Consumer Perception**

Consumer perception may be defined as the mental and emotional state of a consumer while searching for the purchase of a product or service (Engel, 1961). Simply speaking consumer perception is the impression and awareness about a company and its products and services.

## **Eco -Labeling**

Eco- labeling may be defined as the use of environment friendly labels to enable the customers making decision to select eco- friendly products (Rex and Baumann, 2007). Thus it is identified as an important green marketing tool which leads the consumers to take green purchasing decisions.

## **Eco- Brand Name**

Eco- brand name is a name, symbol or design of a product which helps the consumers to differentiate the green products from non green products (Rahbar & Wahid, 2011). Green brand name is a significant marketing tool which motivates the consumers to shift their purchase perception to eco- friendly products.

## **Green Promotion**

Green promotion may be defined as an advertisement of a product or service which claims that the advertised product or service is environment friendly (Chang, 2011). Green advertising helps to increase the consumer awareness on green marketing.

## **Green Washing**

Green washing may be defined as the false representation by the companies to mislead the consumers concerning the environmental benefit of the products or services of the company. It is the misrepresentation of the company's eco friendly efforts which leads to confusion among consumers regarding the eco- friendly claims of many products (Newell et al, 1998). Green washing may have negative influence on consumer perception and behavior.

## **Review of Literature**

According to Cherian & Jacob (2012) green or environmental marketing is an effective marketing strategy to achieve sustainable and competitive advantage. In order to implement green marketing strategies and policies, companies should provide guidance to retailers and consumers on green change. Firms should realize their responsibility towards environmental protection and should encourage consumers to shift from their conventional buying behavior to green buying by marketing eco friendly products (Bhat & Vasanthakumar 1993). Green marketing covers all those marketing policies and strategies undertaken by business firms in the manufacture and distribution of products and services in such a manner which promotes protection of the natural resources. (Polonsky & Rosenberger,

2001).Bleda & Valente (2009) suggested that it is beneficial for the business firms to evaluate the factors which determine the consumers' green buying behavior and the level of consumer perception towards eco- friendly marketing.

### Objectives of the Study

The basic objectives of the study are:

1. To assess the level of consumer awareness on green marketing initiatives.
2. To investigate the influence of green marketing awareness on consumer perception.

### Hypotheses

Based on the review of literature the following Hypotheses were developed:

1. There is a significant level of consumer awareness on green marketing initiatives.
2. There is a significant impact of green marketing awareness on perception of the consumers.

### Variables of the Study

Consumer perception has been identifies as the dependant variable of the study. The independent variables identified to assess the level of green marketing awareness among consumers are; Eco-Labeling, Eco- brand name, Green Promotion and Green washing

### Methodology

The data were collected from 100 consumers of personal care products and cosmetics. Sample respondents include 50 men and 50 women. Convenient sampling technique was adopted to select the respondents. A structured questionnaire was used to collect data related to green marketing awareness and consumer perception.

### Results

**Table 1 : Level of Consumer awareness on Green marketing**

Variables	Low Awareness		Medium awareness		High Awareness	
	Count	Percent	Count	Percent	Count	Percent
Eco- labeling	16	16	26	26	58	58
Eco- brand name	8	8	38	38	54	54
Green promotion	13	13	30	30	57	57
Green washing	21	21	27	27	52	52

*Source: Primary Data*

Table I shows the data relating to the level of consumer awareness on green marketing. Data shows that majority of the respondents having high awareness on eco- labeling (58%), 26% having medium awareness and only 16% having low awareness on eco- labeling. Similarly majority of the respondents having high awareness on eco- brand name (54%), 38% having medium awareness on eco- brand name and only 8% having low awareness on eco- brand name. Data also indicates that majority of the respondents (57%) having high awareness on green promotion, 30% having medium awareness on green promotion and only 13% having low awareness on green promotion. Similarly 52% of the respondents having high awareness on green washing, 27% having medium awareness on green washing and only 21% having low awareness on green washing. Thus it can be concluded that there is a significant level of consumer awareness on green marketing.

**Table 2 : Correlation between Consumer Perception and Selected Variables**

Variables	R	P
Eco- Labeling	0.642**	0.000
Eco- Brand Name	0.686**	0.000
Green Promotion	0.641**	0.000
Green Washing	-0.586**	0.000

*Source: Primary Data*

The data relating to correlation between consumer perception and selected variables is shown on the table II. The Karl Pearson correlation between consumer perception and eco- labeling is 0.642 ( $p < 0.01$ ). It means that there is a significant positive correlation between consumer perception and eco- labeling. The Karl Pearson correlation between consumer perception and eco- brand name is 0.686 ( $p < 0.01$ ). This means that consumer perception increases significantly with adoption of eco- brand name for the product. The Karl Pearson correlation between consumer perception and green promotion is 0.641 ( $p < 0.01$ ). It means that there is a significant positive correlation between consumer perception and green promotion. The Karl Pearson correlation between consumer perception and green washing is -0.586 ( $p < 0.01$ ). It means that there is a significant negative correlation between consumer perception and green washing.

**Table 3 : Predictive Power of Selected Variables on Consumer Perception**

Variables	Constant	B	T	P	R <sup>2</sup>
Eco- Labeling	32.57	2.53	56.71**	0.000	0.007
Eco- Brand Name	30.50	0.38	26.97**	0.000	0.301
Green Promotion	9.56	0.62	7.53**	0.000	0.480
Green Washing	50.14	-0.54	40.97**	0.000	0.433

*Source: Primary Data*

In order to study the influence of green marketing awareness on consumer perception regression analysis were carried out. The results of six linear regression analysis were presented in Table III. It can be seen from the table that the B coefficient of the variable eco- labeling for predicting consumer perception is 2.53. It means that as there is an increase in score of 25.3 in consumer perception for increase of every 10 score in eco- labeling. The p value shows that the influence of eco- labeling on consumer perception is statistically significant at 0.01 level. The R<sup>2</sup> of the regression equation is found to be 0.007 which indicates that 0.07 percent of variation in the consumer perception can be explained by eco- labeling.

B coefficient of the variable eco- brand name for predicting consumer perception is 0.38. It means that as there is an increase in score of 3.8 in consumer perception for increase of every 10 score in eco- brand name. The p value shows that the influence of eco- brand name on consumer perception is statistically significant at 0.01 level. The R<sup>2</sup> of the regression equation is found to be 0.301 which indicates that 30.1 percent of variation in the consumer perception can be explained by eco- brand name.

B coefficient of the variable green washing for predicting consumer perception is 0.38. It means that as there is an increase in score of 3.8 in consumer perception for increase of every 10 score in eco brand name. The p value shows that the influence of eco brand name on consumer perception is statistically significant at 0.01 level. The R<sup>2</sup> of the regression equation is found to be 0.433 which indicates that 43.3 percent of variation in the consumer perception can be explained by green washing.

## **Discussion**

The purpose of the present study is to assess the level of consumer awareness on green marketing initiatives and to investigate the influence of green marketing awareness on consumer perception.

Hypothesis I stated that there is a significant level of consumer awareness on green marketing initiatives.

It was found that majority of the respondents have high awareness on eco- labeling, eco- brand name, green promotion and green washing. So the above hypothesis is accepted.

Hypothesis II stated that there is a significant impact of green marketing awareness on perception of the consumers.

Karl Pearson correlation shows that there is a significant positive correlation between consumer perception and the variables such as eco- branding, eco labeling and green promotion. Karl Pearson correlation also shows that there is a significant negative correlation between consumer perception and green washing. Six linear regression analysis shows that the influence of green marketing awareness on consumer perception is statistically significant ( $p < 0.01$ ). Thus the above hypothesis is accepted in this context.

## Conclusion and Recommendations

The present study concludes that there is a significant level of consumer awareness on environment friendly marketing practices and eco- friendly products. Similarly there is a significant impact of green marketing awareness on the perception level of consumers. In order to increase consumer perception and impression, the following measures can be adopted by the marketers.

1. Use environment friendly materials for product manufacturing
2. Developing a green business culture by conducting environment friendly awareness programs among employees, retailers and consumers
3. Use recyclable materials for packaging
4. Use of eco- friendly labels
5. Use of recyclable energy for production

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