Nub of Green Marketing- An Empirical Study

Lakshmi Narayana K, Sreenivas D L

Abstract
The importance of Green Marketing can well be emphasized by stating the fact that majority of consumers in all the countries want to buy from environmentally responsible companies. Consumers say environmental consciousness is an important corporate priority – ranking behind good value, trustworthy, and cares about customers. No product on this planet has a zilch impact on the business and environment one is surrounded by and therefore, ‘green products/brands and environmental-friendly products/brands’ is the word used to express those products/brands that work to shield and care for atmosphere/environment by preserving the free energy and/or resources, in order to effectively manage to reduce the wastes from the environment as much as possible. By the topic, it is apparent that the study is all about green marketing and especially to assess the consumer’s perception about the products and brands, which are environmental-friendly i.e. whether green marketing really impresses an individual to buy the products/brands than a product/brand, which doesn’t promote environmental-friendly positioning. This study focuses the Asian market, which is challenged by economic development and opportunity due to gain in energy prices, terrorism, environmental and climatic changes and consequences. A sufficient sample of 200 users of green products were selected via judgmental sampling and inquired via online structured questionnaire. It was revealed by Multiple Regression test that the associate variables of Consumer’s Environmental Consciousness, which are Social Influence, Environmental Concern, and Perceived Seriousness of Environmental Problems, indeed affect an individual’s Brand Perception/Preference. While, Environmental Attitude, which is the associate variable of Environmental Attitude and Brand’s Environmental Friendly Perception does not affect Brand Preference. However, when the data was split according to gender, Environmental Concern and Brand’s Environmentally Friendly Perception affect Male, while Social Influence and Environmental Concern affect Female in their choice of green-marketed product/brand.

Keywords: Brand preference, Environmental friendliness, Environmental consciousness, Environmental problems, Green marketing.

1. Introduction
Many people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics. Generally terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and Environmentally Friendly are some of the things consumers most often associate with green marketing. In general green marketing is a much broader concept, one that can be applied to consumer goods, industrial goods and even services.

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.

In the late 1980s, the marketing strategies such as low-cost leadership and/or differentiation were not enough to justify the current market requirements and provide sustainable competitive advantage for organizations. Hence, environmental marketing i.e. green marketing emerged as the novel strategic tactic by some businesses. Environmental marketing includes the eco-friendly products/brands manufactured by the company, eco-friendly processes of purchase, production and selling and eco-friendly disposal of wastes. There are some common terms used in green marketing related to its consumers such as green consumers that support and purchase eco-friendly products/brands. This also means that green products/brands are preferred to shun products/brands that are expected to imperil the health of the people, which are the reasons for major harm throughout manufacturing, utilization of dumping (disposal); consumption of a unbalanced amount of energy; cause
needless waste; exercise resources resulting from endangered species or surroundings to the environment”. Green consumers that they act responsible to worry about the environmental consequences and for that purpose they wish to bring a change by purchasing products/brands as eco-friendly socially. Organic foods, cosmetics and toiletries (OCT) produced are the examples of the ecofriendly/environmental friendly products/brands. The organic constituents in the cosmetics categorically are considered as ecological/natural products and are marketed through the course and plan of green marketing strategy. It is also consumer’s conscientiousness to purchase products from the market, which are eco-friendly or from the companies that portrays them as being environmental friendly.

The customer’s perspective for green products includes the basic characteristics, which are functional performance and non-essential characteristics that convey secondary benefits, such as, environmental performance. The last decade has brought awareness about the global environmental crises, which has brought environment as a large social concern. Many consumers demand environmental responsible and friendly items on shelves and in this case the marketers have to build up competitiveness in respect to such consumer purchase behavior. This portrays that the social classes are concerned about the environment via purchase behavior. It is also seen that there has been upheavals in green marketing. Different markets around the globe have responded differently to the green marketing based on the value propositions of the products/brands to satisfy the consumers. For green marketing it is a must to provide improved eco-friendly quality and indeed customer satisfaction. This research focuses on finding the effects of how consumer perceives about the environmental friendly products/brands (Consumer’s Environmental Consciousness and Brand’s friendly brand (Brand Preference).

2. Literature Review

2.1. Consumer’s Environmental Consciousness

In this study, Consumer’s Environmental Consciousness refers to consumers’ thought process and also reflects the cognitive behavior in the environment and the prevailing society. A consumer choice and purchase behavior depends on the notion of the individual and his/her beliefs for the right and wrong about the products/brands in the markets. The studies from the west shows prominence of specific associations of environmental behavior that are in association with social control Ryan (2001) [30], environmental mind-set Kaiser, Wolfing, and Fuhrer (1999) [31], environmental concerns, Schultz, Shriver, Tabanico, and Khazian (2004) [32] and perceived importance of environmental issues (Garcia-Mira, Real, & Jose, 2005) [33]. Hence, these variables have been used to categorize Consumer’s Environmental Consciousness.

As mentioned earlier, another study by Laroche, Bergeron, and Barbaro-Forleo, (2001) [34] highlights the strong purchase intention of environmental brands as they seek it through the ecological way. Customers actions have also evolved through the years with the robust environmental changes and this change is reflected in their shopping i.e. checking if the packaged items are in a recyclable material and giving more regard to purchasing environmental friendly products such as. CFC-free hairspray, deodorants biodegradable paint etc. The marketers also respond to the behavioral change of the customers/consumers by developing the right eco-friendly quality of the product/brand and customers satisfaction.

D’Souza, Taghian, Lamb, and Peretiatkos, (2006) [35] supported the idea of environmental friendly packaging by stating that packaging and its labeling is one important way to assert the consumers about the visibility about the eco-friendly product/brand. The process of discarding of packaging of the products, the materials/resources used and the expenditure related with bulk packaging materials/resources can be harmful for the environment. Hence, a recyclable material is a better option for packaging.

2.2. Brand’s Environmentally Friendly Perception

The prime definition of a brand is “distinctive name, term and symbol (such as a logo, trademark, or package design) anticipated to recognize the goods or services of either one seller or a group of sellers, and to differentiate those goods or services from those of competitors” (Aaker, 1991, p. 7) [1]. Brand equity an important marketing concept is defined as “providing a competitive advantage as it gives the brand the power to capture and grasp onto a larger share of the market and to sell at prices with higher profit margins” (Solomon & Stuart, 2002, p. 273) [36].

The safeguard the environment is an important executive function i.e. referred to as a Corporate Social Responsibility; this act builds up a strong and optimistic impact of the organization and its brands to the society (D’Souza, Taghian, Lamb, & Peretiatkos, 2006) [35]. Marketers and Marketing Strategists after studying the consumer behavior with time analyzed the environment as a source of a competitive advantage and came up the environmental friendly products/brands. Care for the environment is always a positive approach and business practice as it has many beneficial factors such as employee motivation, more commited consumers (brand loyalty) which in turns generate increase profitability (Forte & Lamont, 1998) [8].

As a green marketing campaign and promotion by the organizations reflects through the consumers repeated purchase. The green appeal for the consumers has a positive and friendly image about the organization, which is offering the products/brands and reflecting it as a corporate social conscientious and receptive organization to environmental concerns and this perception sways the consumer’s to willingly purchase green products (D’Souza, Taghian, Lamb, & Peretiatkos, 2006) [35]. The four major precepts that support the green society in liaison with the product are:

- To establish a competitive plus for the brand;
- To build up and externalize an optimistic and moral corporate figure;
- To grow and profit from the backing of the employees; and
- To come up to the level of customers’ expectations, further progress market share and attain long term profit potencies.
2.3. Brand Preference
Consumers choose products/brands which fit their need, pocket, lifestyle, interest, quality and other beneficial features of value to them (Subhani & Osman, 2011) [38]. According to Rokeach (1973) [28] values leads to the development of attitudes and events, although it is not necessary that values translates one’s behavior in actual life. That is, attitude affect one’s feelings (the affective function) and thoughts (the cognitive function), which influences a person’s behavior, which also counts the purchasing behavior (Hoyer & MacInnis, 2004) [10]. The marketers can influence individuals to alter their attitude for decision-making, which has been also endorsed by Ajzen and Fishbein (1980) [2] in the theory of Reasoned Action. The motives are transformed into arousing first choice/preference (Travis, 2000) [39].

For example, affective marketing campaigns can change passive consumers for green brands to become keen to forfeit premium prices for environmentally friendly products/brands to greener consumption (“many shades of green” (Ottman, 1998) [22]. Pickett-Baker and Ozaki (2008) [24] stated that a product is not selected in isolation but prior familiarity of a product/brand, repeat purchase and value(price) influences the decision making of consumers. If the consumers are satisfied with the brand, consumers would re-purchase, which is the loyalty towards the brand. The trait such as trial is the repeat factor that influences the customers in the direction of re-buying decisions (Rajagopal, 2007) [26].

As now due to the sudden happenings in the society, the consumers are more responsive to the environmental change as they are taking precautions and to the eco-friendly products, marketers have been trying to influence consumer purchase behavior through environmentalism, Follows and Jobber (2000) [7] that is focusing on environmental marketing.

2.4. Consumer’s Environmental Consciousness with Brand Preference/Choice
Environmental concerned consumers will think about the green consequences in association with the purchase intention. For instance, the consumers buying products have garbage disposal concerns (environmental consequences) and they do have this thought prior to the buying act of the product. The product market is then called to be green products market, which satisfy the basic needs of the consumers and also takes into account the environmental safety and concerns (Follows & Jobber, 2000) [7]. Ewing (2001) [6] suggested that social norms can motivate consumers to opt for an ecologically responsible behavior. The consumer’s family and peers influence the purchasing decisions and it depends on the product characteristics for instance luxury, necessity, publicly displayed and privately used (Hoyer & MacInnis, 2004) [10].

In the prevailing society it is certain for the Green consumers that the society is arising with worse environmental conditions (Banerjee & McKeage, 1994) [3]. It is evident according to the concerns and interests of an individual to be more responsive to the ecological issues and eager to pay added for eco-friendly labeled brands (Larocche, Bergeron, & Barbaro-Forleo, 2001) [14]. Contrarily, there are consumers who do have environmental responsive behavior and think that natural problems of the environment prevailing will “resolve themselves” or policy-makers are there to resolve such issues. In short, a consumers’ mind is not so easy to decipher no matter how influential his/her social groups are on him/her or how the environment is acting around, it is not necessary that he/she would definitely make a purchase in reference to the eco-friendly brands. There are certain constraints or conflicts consumers may have while opting an environmental oriental purchase behavior as satisfaction is not guaranteed (Manaktola & Jauhari, 2007) [17]. Certain factors such as habitual buying and convenience let consumers stick to their kind of shopping (Simon, 1992; Stern, 1999) [34, 36]. Price is also a factor to not opt for eco-friendly brands to a certain extent due high pricing of such brands. For example, Pearce (1990) [23] stated in early 1990s in UK, customers lay claim to buy ecological compatible products, but when the UK markets were flooded with ecological brands, consumers found it to be more expensive than the norm. This gap is called as Value-action gap is the term given by Pickett-Baker and Ozaki (2008) [24] to an individual who has concern about the atmosphere but doesn’t act in a green way and/or in their buying.

2.5. Brand’s Environmentally Friendly Perception with Brand Preference/Choice
Product differentiation strategy is one of the widely used competitive strategies that include positioning; product attributes and packaging (Porter, 1998) [25]. Environmental quality is also added in the differentiation strategy of business (Leigh, Murphy, & Enis, 1988; Shrivastava, 1995b) [16, 33]. Consumers will opt for eco-friendly brand when the quality and satisfaction are same as the other brand not offering the eco-friendly attribute (Kardash, 1974; Ottman, 1992, 1999) [12, 20, 22].

There are businesses already working for the environmental friendly products to achieve competitive advantage. For instance, 3M’s 3Ps program (polluting prevention caters to the environment from pollution in its manufacturing processes and final product as well. McDonalds Corporation works for discarding polystyrene packaging, which has been recognized as an exemplary mark in business commercial environmental practice (Menon, Chowdhury, & Jankovich, 1999) [18]. The most current example and the hottest product is the iPod by Apple. The iPod basically provides ultimate innovative entertainment and the convenience for consumers to listen to great amount of music, videos, download, store and share. This way environmental is having a positive impact by not making up and circulating CDs, plastic cases and packaging (Ottman, Stafford, & Hartman, 2006) [19]. These were examples of some of the renowned brands which incorporated environmentalism with innovation in their business strategies. Research also focuses on the consumers concerns over animal testing of the products, which is mostly found in the cosmetic brands. For such brands aggressive marketing strategies e.g. differentiation, product development are adopted to handle the claims of safety that is also promoted and communicated to the consumer (D’Souza, Taghian, Lamb, & Peretiatkos, 2006) [5]. Good and well-known brands have a good statement in the market even for the eco-friendly brands (Pickett-Baker & Ozaki, 2008) [24].

To be in the consumers’ consideration set of brands, it is already confirmed that the brand needs to fulfill the consumers’ expectation and delight them as compared to conservative products/brands and also accomplish consumer acknowledgement and recognition on main characteristics such as quality, convenience, functional performance, and
price (Ottman, 1995; Schlegelmilch, Bohlen, & Diamantopoulos, 1996; Wong, Turner, & Stoneman, 1996; Roy, 1999) [21, 31, 41, 20].

Brands that focus on being environmentally friendly expect to cause optimistic consumer reaction through purchase, indicating an increase in company’s benevolence i.e. goodwill, market shares or gross revenue from a company’s deed of green marketing (Lee, 2008) [15]. According to Pickett- Baker & Ozaki (2008) [24] branding is underutilized in green marketing. The affective use of branding should be part of marketing strategies in selling green products. In other words, the emotions alter attitude formation, manipulates the decisions and memory nodes and repossessing. This is evident enough that emotions is the main player to drive the consumer responses to brands and should be always considered as emotional communication possibly be more progressed comprehensively and retained better as a effect of increased attentiveness. Hence, it is prudent to presume that marketing, advertising and promoting green products using emotional stimulus would be more booming as consumers would respond favorably for the brands that are manufactured by companies having the environmental friendly conception (Pickett-Baker & Ozaki, 2008) [24].

D’Souza, Taghian, Lamb, and Peretiakos (2006) [5] suggested that environmental friendly details mentioned on the products/brands label/packaging is an effective tool of communication about the specific benefits and characteristics the products/brands entitles to the consumer. It’s a way to let consumers know the details about the product/brand. (D’Souza, Taghian, Lamb, & Peretiakos, 2006) [5]. Hence, Carlson, Grove, and Kangun (1993) [4] predicted that environmentally concerned labels incite and alter buying behavior, as there are consumers agreeable to seek out environmental information on the products/brands packaging labels for improved and healthier conversant buying choice. The green marketing is spread across various communication platforms, which consists word of- mouth, reference groups, opinion leaders, media activities, advertisements, internet marketing, cellular marketing etc. The following Table 1 is an example of successful marketing communication via advertisements and other ways of communication to consumers that inform them of the natural value of green.

Marketing Messages Connecting Green Products with desired Consumer Value

<table>
<thead>
<tr>
<th>Value/Significance</th>
<th>Communication and business/product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency and cost effectiveness</td>
<td>“Did you know that between 80 and 85 percent of the energy used to wash clothes comes from heating the water? Tide Coldwater—The Coolest Way to Clean.” —Tide Coldwater Laundry Detergent.</td>
</tr>
<tr>
<td>Health and safety</td>
<td>Finally – a completely odorless paint! This paint has zero VOC colorants. Impressive! - Natural Paint</td>
</tr>
<tr>
<td>Performance</td>
<td>“Fueled by light so it runs forever. It’s unstoppable. Just like the people who wear it.” —Citizen Eco-Drive Sport Watch</td>
</tr>
<tr>
<td>Symbolism</td>
<td>“Make up your mind, not just your face.” —The Body Shop</td>
</tr>
<tr>
<td>Convenience</td>
<td>“Long life for hard-to-reach places.” —General Electric’s CFL Flood Lights</td>
</tr>
<tr>
<td>Bundling</td>
<td>“Performance and luxury fueled by innovative technology.” —Lexus RX400h Hybrid</td>
</tr>
</tbody>
</table>

Source: (Ottman, Stafford, and Hartman, 2006) [19]

This study has to evidently assess that does abrupt changes in the environment of the different Asian countries/regions prompt the consumers to opt for the green products/brands as a whole. The marketers in the Asian markets are focusing and applying green marketing for their brands as a competitive advantage followed by the west plane. This evaluation will portray a factual answer for the marketing strategists for the Asian markets and the new entrants of the businesses shifting towards the sales of service rather than the sales of goods as a complete package to the consumers.

3. Research Model

On the basis of stated literature the following Research Model shows the relationship between the independent variables and the dependent variable. The independent variable includes Consumer’s Environmental Consciousness, which was determined by the four sub variables Social Influence, Environmental Attitude, Environmental Concern and Perceived Seriousness of Environmental Problems and Brand’s Environmentally Friendly Perception. The dependent variable was Brand Preference.

3.1. Hypotheses

H1: There is an effect of Social Influence on Brand Preference.  
H2: There is an effect of Environmental Concern on Brand Preference.  
H3: There is an effect of Perceived Seriousness of Environmental Problems on Brand Preference.  
H4: There is an effect of Environmental Attitude on Brand Preference.  
H5: There is an effect of Brand’s Environmental Friendliness on Brand Preference.

4. Research Methods

4.1. Method of Data Collection and Variables Specifications

This research is an endeavor to find the effect of consumer’s environmental consciousness and brand’s environmentally friendly perception on brand preference. The personal survey was used as the method of data collection. The questionnaire which were used foe the survey was divided into four parts include; Consumer’s Environmental Consciousness, Brand’s Environmentally Friendly Perception, Brand Preference and Demographics. The Consumer’s Environmental Consciousness and Brand’s Environmentally Friendly Perception were taken as the independent variables while, Brand Preference was the dependent variable.
4.2. Sampling Technique & Sample Size
Convenience Sampling (a non-probability method of sampling) was adopted to collect data. This involves the sample being drawn from that part of the population which is close to hand. The advantages of Convenience Sampling include, convenience, less costly and less time consuming. The sample size was 200 respondents which includes the equal proportions of males and females.

4.3. Instrument of Data Collection
The outlined variables were taken on the basis of literature cited, as Lee (2008) [15] used all of them to find the factors that affect Hong Kong’s young Consumers towards green purchasing behavior while, Social Influence was studied alone by (Ryan, 2001) [30], Environmental Attitude by Kaiser, Wolfing, and Fuhrer (1999) [11], Environmental Concern by Schultz, Shriver, Tabanico, and Khazian (2004) [32] and Perceived Seriousness of Environmental Problems by (Garcia-Mira, Real, & Jose, 2005) [9]. The all outlined variables were used in this paper to find the crux of green marketing in context to brand preference.

4.4. Statistical Technique
The data collected was categorical so, was converted to scale. The Econometrical technique used was Multiple Regression Analysis and Correlation.

5. Findings and Results
Multiple Regression and split regression were used to analyze the effect of Consumer’s Environmental consciousness and Brand’s Environmentally Friendly Perception on Brand Preference. The data was interrogated first via applying the multiple regression. Social Influence, Environmental Concern and Perceived Seriousness of Environmental Problems were found to have the significant impact on brand preference at p value < 0.05, as shown in Table 2. Thus, we fail to reject all first three outlined hypotheses, include H1: There is an effect of Social Influence on Brand Preference, H2: There is an effect of Environmental Attitude on Brand Preference, and H3: There is an effect of Perceived Seriousness of Environmental Problems on Brand Preference.

Findings of Multiple Regressions

<table>
<thead>
<tr>
<th>Variables</th>
<th>Gender</th>
<th>Adjusted R Square F</th>
<th>Constant</th>
<th>Social Influence</th>
<th>Environmental Concern</th>
<th>Perceived Seriousness of Environmental Problems</th>
<th>Environmental Attitude</th>
<th>Brand's Environmentally Friendly Perception</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Beta – Sig. Value</td>
<td>Beta – Sig. Value</td>
<td>Beta – Sig. Value</td>
<td>Beta – Sig. Value</td>
<td>Beta – Sig. Value</td>
<td>Beta – Sig. Value</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-0.429</td>
<td>0.013</td>
<td>-0.218</td>
<td>0.000</td>
<td>-0.108</td>
<td>-0.121</td>
</tr>
</tbody>
</table>

The data was again interrogated via applying split regression. Environmental Concern and Brand’s Environmentally Friendly Perception have shown the positive effect on the decision of males towards Brand Preference, with the significance value of 0.007 and 0.017. Thus, we fail to reject the hypotheses for male which include; H2 i.e. there is an effect of Environmental Concern on Brand Preference and H5 i.e. there is an effect of Brand’s Environmental Friendliness on Brand Preference. While for females, Social Influence and Environmental concern with the significance value of 0.003 and 0.008, positively affect the Brand Preference as explained in Table 3. Hence, we fail to reject hypotheses for female include; H1 i.e. there is an effect of Social Influence on Brand Preference and H2 i.e. there is an effect of Environmental Concern on Brand Preference.

6. Discussion & Conclusions
This paper concluded that the proxy of Consumers’ Environmental Consciousness that is Social Influence showed the positive effect on Brand Preference which implies that an individual whose social group is knowledgeable and discuss about the environmental issues and products would prefer green brands. This favors Lee (2008)’s [15] research result, which also showed social influence as the most important predictor of adolescents’ green purchasing behavior. Besides, interpersonal communication was suggested as an effective tool for affecting purchasing behavior (Lee, 2008) [15]. The reason...
may be that many social groups are formed by people who usually think, talk and act alike. Hence, an individuals’ social network might suggest, cultivate, circulate and reinforce a “norm” of positive environmental behavior (Lee, 2008) [15]. For instance, if a person from a social group is in favor of buying environmentally friendly products, the others in the group will agree with the idea. So if one buys the products, the others in the group will act similarly. On the other hand, there are some people who are part of a social group because they want acceptance in that group and want people to see them with that group, therefore such individuals would accept the thinking and act according to the social group.

Environmental Concern is associated with Brand Preference at p<0.005. This means that an individual who is emotionally concerned about the environment and prefers living in a healthy and clean environment would prefer environmentally friendly products and brands. This shows the positive emotional involvement in the buying behavior of the consumers. This also favors Lee’s (2008) [15] findings that showed Environmental concern to be the second top predictor of green purchasing behavior. And the reason suggested by the author states that green purchasing behavior is more activated by emotional involvement than by rational assessment (Lee, 2008) [15]. He further stressed that environmental concern refers to the degree of emotional involvement in environmental issues and it directs an individual’s response towards environmental protection. Perceived Seriousness of Environmental Problems is also associated with Brand Preference at p<0.005. The results suggest that individuals who have the knowledge about the environmental problems and who think it is important to deal with such problems would prefer Environmentally Friendly Brands.

Laroche, Bergeron, and Barbaro-Forleo (2001) [14] revealed that consumers willing to pay more for green products did not perceive it inconvenient to behave in an ecologically favorable manner. This paper lifts a point to ponder for marketers to advertise why it is convenient to purchase environmentally friendly products and to change consumer’s perceptions in a positive way. Many companies educate consumers about the convenience of buying ecologically safe products. For example, The Body Shop produces and promotes its product lines with environmental and social sensitivity as a major theme. The in-store informational promotions focus on educating the customer about The Body Shop’s natural product ingredients and earth-friendly manufacturing. Precisely beside social influence, educating potential consumers about the advantages of buying environmentally friendly products, and brands, may help to enhance environmental concern and perceived seriousness of environmental Problems which may increase the sales of green products and reduce environmental problems.

7. References


