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A study of green advertising and its impact on consumer purchase intention

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Abstract

Green Advertising is the advertising of products that are presumed to be environmentally preferable to others. Green advertising incorporates a broad range of activities for modifying advertising. Green, environmental and eco-marketing are part of the new advertising approaches which do not just focus, adjust or enhance existing advertising thinking and practice, but seek to challenge those approaches and provide a substantially different perspective. Green Advertising is a specific type of advertising that is centered around the promotion of factors related to the environment. It is helping in not only selling the products but also selling the products with a protection cover to both consumers and environment. For the purpose of study there are certain factors that are studied affecting consumer attitude including credibility, consumers trust, viewers attitude, brand image, the media and green education. This paper attempts to find out the Green Advertising factors affecting consumers purchase intentions. The outcome of the paper will help to develop a simpler and more precise model of purchase intention of consumers.

Keywords: Green Advertising, Credibility, Substantially, Approach, Purchase Intentions.

1. Introduction

In order to meet the environmental standards, both marketers and consumers are becoming increasingly sensitive to the need for switch in to green products and services.

As a result, Green Advertising has emerged which speaks for growing market for sustainable and socially responsible products and services. Although much is known about the green consumer, very little is known about green advertising. There are three very compelling reasons why it is timely and important to study and analyze green advertising. **First**, the new media has picked up on the green theme and is reporting very extensively on the subject. **Second**, and a closely allied factor, most consumers get information on environmental issues from the mass media (TV, newspapers, magazines, and radio) **Third**, despite the high dependence on mass media for information, consumers do not find that information believable or reliable. Given the growing attention placed on environmental issues and its impact on consumers purchase intentions is believed to be a strong signal calling for an analysis of green ads and will help us understand some of the trends in green advertising. In order to fully understand the perceptions, effectiveness and impact of green advertising, one must first understand the term "**Green**". It is being said that there are many "Shades" of green consumers, products and advertisements. A product's level of "Greenness" is gauged by various elements such as Recyclable Packaging, All Natural, Organic Ingredients or Eco-Friendly production, consumption and disposal standards. While these are just a few examples, research has shown that such claims are most frequently associated with products that are considered green. A consumer's level of "greenness" is commonly gauged by their actions and behaviors. Environmental pollution has been our concern over the last two decades, which had a devastating effect on the atmosphere eventually, disturbed our ecological balance. Recently green advertising is considered to have a growing prominence in providing environmental awareness to a number of consumers who are willing to back the environment consciousness with their money. It is a marketing strategy to help our economic resources. But this is possible only when it is done in a right way. Maintaining an ecological balance is a major issue confronting the corporate world today. Environmental damage has already crossed the threshold and has reached alarming limits. Green advertising is one such initiative towards environmental protection. Green advertising is a broader term covering all aspects of marketing

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that keeps the ecology and environment in focus. There are basically two issues in green advertising. **First** is to check the misuse of natural resource. **Second** is to control wastage. Green Advertising incorporates an array of activities including product modification, changes in production process, change in packaging material, etc., which lead to green products and green consumers. Green advertising tackles the issues related to environmentally safe production, distribution, consumption, disposal, etc. of the products and the packaging material on the marketing front in order to make marketing activities eco-friendly. Green advertising is gaining importance day by day due to increasing awareness about environmental conservation. Green Advertising adopts production procedures, which result in the least amount of waste products. It focuses on using such material in packaging, which are Biodegradable and do not cause harm to other living organisms or the environment. Many advertisers are adopting Green Advertising as their unique selling proposition and are becoming consumer - friendly and gaining recognition. Green Advertising refers to marketing where ecological issues are the focal points of marketing decision-making. It includes change in packaging materials, change of product by another, encompasses disposal of waste generated during production and distribution, the disposal of surplus or expired products and even the disposal of packaging material after the use of product. There is ample scope for Green Advertising at both the manufactures and the marketers end. Green Advertising is catching on in a big way. Marketers as well as consumers are slowly but strongly recognizing it. Awareness is being created through advertisements about the use of such materials, which are eco friendly and help in environment conservation. Though green products are a bit costlier compared to their non-green counterparts, they are beneficial from the viewpoints of environment conservation, which will definitely prove advantageous in the long run. Green advertising is gaining prominence across the world and in India too.

A marketer must focus on two sets of consumer needs:

- i) Consumers requirement about the products that will help in maintain long time relationship with the consumers and able to convey message easily with the help of Green Advertising.
- ii) To ensure that green products fit on customer requirement and are environmental friendly.

Objectives of the Study

The objectives of the present study are:

1. To minimize the adverse effects that affects the natural environment.
2. To find out impact of consumer purchase intentions.
3. To protect and safeguard the society from environmental pollutions.

Literature Review

Environmental concerns have been on the agendas of industry and academia for more than 30 years. Recently, they have resurfaced as a top issue (Bush, 2008). Al Gore was named a runner-up in Time magazine's Person of the Year contest after receiving the Nobel Peace Prize for his work on Global Warming and Environmental concerns (Walsh, 2007). Environmental issues also have strategic implications for organizations (Banerjee, 2002). For example, Erdman (2008) claims that eco-consciousness is now an expectation and that numerous brands across categories are in a race to see who can be "greenest." Consumer concerns about the environment have been on the increase in recent years (Chitra, 2007). With the increasing number of "green" customers, businesses attempt to

understand and respond to external pressures to improve their environmental performance (Chen, 2008). The green movement has so much momentum that the term "going green" had 15.6 million hits on Google in January 2008 (Erdman, 2008) and 31 million hits just over two months later. Marketing practitioners and academics attempt to identify and understand green consumers and their needs, and to develop market offerings that meet these needs (D'Souza *et al.*, 2007). Green advertising first began in the 1970s when a recession led to sky-high oil prices and a focus on environmental issues. It has resurfaced now due to similar problems, with record-level fuel prices (Healey and Hagenbaugh, 2008). Neff and Thompson (2007) reported that packaged goods executives at the Food Marketing Institute Show agree that eco-marketing will have staying power this time around. They feel that consumers who weren't willing to pay more for green products in the past are willing to do so now. These executives believe that support for green products from top retailers, such as WalMart, Home Depot, and Kroger Co. is making a difference in consumer attitudes. While green advertising efforts continue to grow, marketers do not have adequate tools for evaluating the success of green advertising, nor do they have sufficient tools for determining consumer's environmental attitudes, intentions, and behaviors. Additionally, there is little consensus about the identity and nature of green consumers (Peattie, 2001). Understanding and predicting environmental behavior has proved to be remarkably difficult. Previous research into consumer's attitudes toward green advertising and the environment has concluded different results over time. Much of the work in this area developed in the 1970s (Schewpker and Cornwall, 1991). Earlier research in this area also has mixed or inconclusive results (Troy, 1993; Schewpker and Cornwall, 1991). It is likely that surveys developed a long time ago may no longer be valid for measuring consumers' attitudes, intentions, and behaviors, given the societal and legal changes that have occurred since the 1970s (Matulich, Haytko and Austin, 1999). Much research has been conducted in response to the recent increase in green advertising in the U.S. and abroad. The effectiveness and impact of green advertising is often difficult to gauge, as consumers' actions are often dependent upon numerous subjective variables (e.g. brand perceptions, ethical beliefs, product convenience, perceived product value, etc.). Therefore it was necessary to further investigate consumer environmental insights and their connectivity to advertising—and ultimately purchasing patterns—in order to fully understand the relationship between green advertising and the consumer market. The relationship between advertisements and consumers are on a general level. Consumer's responsiveness to advertising is critical to the effectiveness of an advertisement, and is, therefore, a cornerstone in understanding the impact of green advertising. In a society that is constantly digesting advertisements on all media platforms, consumers respond to advertising content in many different ways. A particular response could either be driven by individual motives and preferences, or more collective and communal motives that are shared within a particular sub-culture or group. These motives are then what ultimately shape consumer insight in advertising. Hilliard, Matulich, Haytko & Rustogi (2012) stated that a consumer's response to an advertisement will directly impact either negative or positive brand perception (i.e. product purchase). Furthermore, an individual will have a favorable attitude toward the behaviour if they believe it will lead to a positive outcome, and vice versa. This theory has been used to explain why people choose to engage or not engage in certain actions,

and can help predict one's behavioural response to various interventions (i.e. advertisements). Advertisements are thus created with this theory in mind, and are designed to change not only behaviours themselves, but also the beliefs that will, in turn, change behaviour and drive a desired action or purchase (Coleman, Bahnan, Kelkar & Curry, 2011). Such concepts are critical to understanding one's responsiveness to advertising, in light of preconceived attitudes/ beliefs and their level of flexibility.

Willingness to Purchase Green

This section investigates the final piece of the green advertising puzzle-The Purchase. Similar to other universal product trends (e.g. technology, fashion, etc.), "The Green Industry" has unique properties and consumer relationships that influence purchasing patterns, both negatively and positively. Consumer's willingness to purchase green products has often been contributed to their self-labeled level of environmental enthusiasm. Leonidas *et al.*, (2011) studied the relationship between consumer knowledge of environmental issues and the effectiveness of advertising claims. Mitchell & Ramey (2011) suggested that consumer's willingness to purchase green might be rooted in their passion for the environment. They wrote that those who are considered environmental enthusiasts are more likely to purchase green products than others. Mitchell and Ramey (2011) go on to state that those passionate about the environment will be motivated to purchase any product that is "green" no matter what "shade" of green it may be. According to Nyilasy, Gangadharbatla & Paladino (2012), such discrepancies can be attributed to the complexity in environmental issues, making it difficult for even the most enthusiastic consumer to be completely updated on jargon and claims featured in green advertisements.

Research Methodology

The research is entirely based on the secondary data, which has been collected from a number of sources like books, magazines, journals, periodicals and publications by government agencies. The research methods used for this study are descriptive and exploratory in nature. A number of secondary sources have been thoroughly studied for reaching to the conclusion. A part from these sources of information, newspapers and websites has also been used for collecting data.

Result and Discussions

Green advertising is considered to be a tool for sustainable and continuous economic development of a nation. Green Advertising helps to attract consumer by highlighting green features and eco- friendly products that are safe for environment as well as consumers. Green Advertising has a positive impact on consumers purchase intentions and builds strong trust between the two. Now consumers are turning towards natural products like green tea, organic food, organic products, wax paper etc. that are environmental friendly product which will lead to sustainable and green development of surroundings. People in India have started preferring eco-friendly products that will give them healthy lives along with environment safety. Companies now have realized their social responsibility towards environment therefore; they now prefer green products and services. Government has taken many steps to 'Go Green' like framework of legislation to reduce use of plastics bags which is harmful for the society and replace the plastic bags with the paper bags which are environmental

friendly. Green advertising is comparatively costlier as it needs to focus on green products, renewable and recycled products. Green advertising helps in spreading information and knowledge to those consumers who are unaware of presuming eco-friendly products and its features. Green advertising must reflect a good and positive impact on consumers so that the motive of advertisement can be achieved with the increase in sales and demand of the particular product that is advertised.

Finding and Suggestions

Findings

Research conducted found various factors that make a difference in consumers purchasing decision after knowing both environmental and non-environmental factors. Research outlined various elements and barriers that impact consumers' willingness to purchase green products:

- **Price:** Consumers have a clear comfort zone in regard to pricing of green products. If they perceive a product's value as outweighing its monetary cost, they will follow through with the purchase. However, if the quality did not outweigh that of a cheaper, non-green product, then they more than likely did not make the purchase. Additionally, their research found that consumers would purchase environmentally sustainable products, such as appliances, if the product would benefit their long-term financial investments.
- **Time:** In a fast-paced society, many participants in the study stated that their schedules do not permit the extensive research required to make sound and informed purchasing decisions. The convenience of stopping at one store to get all of their items outweighed the multiple stops it may have taken to purchase green products.
- **Confusion:** Many of the participants vocalized concerns with the complexity of green advertising and environmental products and issues. Difficulties in deciphering advertisements and understanding product labels often deterred consumers from purchasing green products. Furthermore, they were often left confused as to whether a product was green or not.
- **Unavailability:** In particular geographic areas, consumers addressed that there was a lack of green options available in their area. Additionally, participants felt that the U.S. was not "set up to be green . . . with big cars, big packaging . . . our community design just doesn't currently support green."
- **Trust:** One of the largest and most pertinent issues addressed by consumers was skepticism of green products, labels and advertisements. Some products advertised recyclable packaging; however, participants were unsure whether the actual production was sustainable. Participants often questioned the claims of the advertisements, the politics fueling some green movements and whether or not green products were necessarily domestic.

Suggestions:

On the basis of my findings I Would like to suggest the following measures in order to make green advertising effective, successful and profitable:

1. **Minimization of wastages:** Green Advertising should be designed and developed in such a way as to reduce the wastages in order to encourage continuous development of an economy. The proper use of space in electronic media, print media and magazines etc. should be encouraged.

2. **Optimum utilization of resources:** Advertising should not encourage the over use of resources available and also should not force for excessive buying through advertising rather should encourage and educate customers/buyers to go for optimum utilization of resources.
3. **Environment friendly promotion:** Advertising should design and develop as keeping in mind the social hazards. Advertising should not be profit centric rather should be society centric and eco friendly.
4. **Ensure Natural Claim:** Companies must ensure of producing their products of natural things which are environmentally safe and good for consumers like Amway claims that their products are made up of natural things and they are environmental friendly.
5. **Sustain Green profile:** Companies must ensure of producing those products that follow sustainable measures and have written documentation of sustainability measures that shows the results and impact on the environment, society, health of consumers etc. Companies must show the green profile in terms of specific, focused, and clear about the objectives. Also they can do printed documentation distribution that specifies the brief of products attribute and eco-friendly features.

Conclusion

With the increasing demand of eco-friendly product, companies are producing green products, changing packaging system, modifying their existing product etc. to meet this demand for the environmental safety and help in maintaining healthy lives. Green advertising helps in spreading the key features and information about the products which are environmental safe in one and another way so as to put a positive impact on consumers purchase intentions. Green advertising has become a tool to protect the surroundings with hazard of global warming and ozone depletion. It is the need of the companies to adopt green advertising so that they can easily capture the targeted consumer and to maintain long-time relationship with them. As discussed above about the few companies like McDonalds, FabIndia, etc. has started adopting some modification in their products and there are many companies who has started using the concept of 3R's that is Reduce, Recycle and Reuse of such waste products like papers, plastics etc. for the protection of environment and individual life's. These features attract the consumer's as they are adopting green or natural products for environmental safety as well as own safety. Therefore, Green advertising becomes an important part of advertising industry to promote company's products in an innovative way to grab the attention of consumers as consumers are going to buy ecofriendly products in future. Moving towards "green" may be expensive for companies but it will definitely prove too advantageous and vital in the long run and profitable through customer satisfaction that will put a positive impact on consumer purchase intentions.

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