

Impact of Green Marketing on Customer Satisfaction: An Empirical Study

*** S. Mahalingam**

* Assistant Professor, Department of Management Studies, CK College of Engineering & Technology, Cuddalore.

Abstract

Green marketing is a concept which has been gaining ground in the last decade or so. There is an increasing potential and growing demand for green products. Consumers of today are influenced by terms like global warming, biodegradability, hybrid, alternate power resources and marketers try to catch their attention by highlighting attributes of products in sync with the so called "green" belief. The rising price, Growing pollution and resource consumption in Asia and political pressure to address Climate changes are driving innovation toward healthier, more-efficient, high performance Products. Marketers need to understand the implications of green marketing. Green signifies going back to nature once again and re-cycling whatever possibly can be re-used. Resources are scarce and "green" is the only solution.

The paper explores the factors influencing consumer preference for green products, and marketing mix of green marketing.

Keywords: Green Marketing, Marketing mix, Consumer preference.

Introduction

According to Mr. J. Polanski, green marketing can be defined as, "All activities designed to generate and facilitate any exchange intended to satisfy human needs or wants such that satisfying of these needs and wants occur with minimal detrimental input on the national environment." 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 marketing involves developing and promoting products and services that satisfy customers want and need for Quality, Performance, Affordable Pricing and Convenience without having a detrimental input on the environment.

Evolution of Green Marketing

The green marketing has evolved over a period of time. According to Peattie (2001), the Evolution of green marketing has three phases. First phase was termed as "Ecological" green marketing, and during this period all marketing activities were concerned to help environment problems and provide remedies for environmental problems. Second phase was "Environmental" green marketing and the focus shifted on clean technology that involved designing of innovative new products, which take care of pollution and waste issues. Third phase was "Sustainable" green marketing. It came into prominence in the late 1990s and early 2000.

Green is the new gold for the marketers. This is absolutely true as today; consumers are keen to use more eco-friendly products and are even willing to pay a premium price for the 'green' products. Marketers have also found a niche for these green products. Thus, the

concept of Green Marketing has emerged. Corporate India has also taken a big leap in this direction. Marketers are using green advertisements to create a good brand image and win the customer's heart (and, of course, the purse). Green marketing means marketing of products which are environmentally safe. Thus, it includes a broad range of activities like producing, processing, packing and even advertising with the nature-friendly tinge in it. More and more companies are incorporating the Concept of going green into their organizational culture. Companies like Honda, Videocon, Samsung, and Philips are concentrating more on producing eco-friendly products.

Even retailers are contributing towards this movement. Total, a famous retailer in Bangalore can be cited as an example in this case. The company is promoting the concept of reusable bags for shopping, where the shoppers can use the same carry bag for future purchases.

Literature Review

An attempt has been made to review relevant literature available in context of Green Marketing. The literature available regarding the concept of Green Marketing is substantial. Green marketing has a potentially important role to play in the achievement of global sustainable development. 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. Indeed the terminology used in this area has varied, it includes: Green Marketing, Environmental Marketing and Ecological Marketing. While green marketing came into prominence in the late 1980s and early 1990s, it was first discussed much earlier. The American Marketing Association (AMA) held the first workshop on "Ecological Marketing" in 1975. The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing" [Henion and Kinnear 1976a]. Since that time a number of other books on the topic have been published [Charter 1992, Coddington 1993 and Ottman 1993]. According to Stanton and Futrell (1987)-all activities designed to generate and facilitate any exchanges intended to satisfy human needs and wants; therefore it ensures that the interest of the organization and all its consumers are protected, as voluntary exchange will not take place unless the buyers and sellers are mutually benefited.

The definition also includes the protection of natural environment by attempting to minimize the detrimental impact; this exchange has on the environment. Mintu and Lozada (1993) defined green marketing as the application of marketing tools to facilitate exchanges that satisfy organizational and individual goals in such a way that the preservation, protection and conservation of the physical environment is upheld". Grove, S.J. & Fisk, R.P. (1996) in "Going green in the Service Sector" European Journal of Marketing, 30(5), pp. 56-67 have attempted to bring attention to the general and pervasive exclusion of service industries from discussions of green marketing practices.

Objectives of the Study

1. To study the factors influencing the consumer preference for Green Products.
2. To find out the effective way to launch, create and sustain the Green Products.
3. To study the marketing mix of Green Marketing.

Research Methodology

- The study is based prominently on primary data with a supplementary secondary data.
- The primary data is collected from various sources like Questionnaire and Interview Method.

➤ The targets for the primary data were the customers visiting the Malls and Supermarket. Secondary data have been collected from case descriptions of green products discussed in various academic and business literatures.

➤ The size of the sample for study was 150 respondents. They were selected using convenient sampling technique.

Marketing Mix of Green Marketing

Traditional marketing theory implies that if the traditional four Ps of the mix are right, then success will follow in the form of a fifth P, "Profit". There are 4ps in green marketing too, but they are a bit different.

Product:

The products have to be developed depending on the needs of the customers who prefer environment friendly products. Products can be made from recycled materials or from used goods. Efficient products not only save water, energy and money, but also reduce harmful effects on the environment. Green chemistry forms the growing focus of product development. The marketer's role in product management includes providing product designers with market driven trends and customer requests for green product attributes such as energy saving, organic, green chemicals, local sourcing, etc.,

For example, Nike is the first among the shoe companies to market itself as green. It is marketing its Air Jordan shoes as environment-friendly, as it has significantly reduced the usage of harmful glue adhesives. It has designed this variety of shoes to emphasize that it has reduced wastage and used environment-friendly materials.

Price:

Green pricing takes into consideration the people, planet and profit in a way that takes care of the health of employees and communities and ensures efficient productivity. Value can be added to it by changing its appearance, functionality and through customization.

Place:

Green place is about managing logistics to cut down on transportation emissions, thereby in effect aiming at reducing the carbon footprint. For example, instead of marketing an imported mango juice in India it can be licensed for local production. This avoids shipping of the product from far away, thus reducing shipping cost and more importantly, the consequent carbon emission by the ships and other modes of transport.

Promotion:

Green promotion involves configuring the tools of promotion, such as advertising, marketing materials, signage, white papers, web sites, videos and presentations by keeping people, planet and profits in mind. Toyota is trying to push gas/electric hybrid technology into much of its product line. It is also making the single largest R&D investment in the every-elusive hydrogen car and promoting itself as the first eco-friendly car company.

Green Marketing success involves ensuring that the marketing mix and the company also meet

Four "S" criteria (Peattie, 1995)

- Satisfaction of customer needs
- Safety of products
- Social acceptability of the product
- Sustainability of the product

Tools of Analysis

The analysis and interpretation are made with the help of standard tools like percentages, averages and ranking technique.

Period of Study

Field survey was conducted during the month of Jan-March 2015.

Analysis and Interpretation

Table No. 1 Analysis on the Basis of Age:

Age Groups	No. of Respondents	Percentages
Less than 25	35	23
25-35	51	34
35-45	40	27
Above 45	24	16
Total	150	100

Source: - field survey 2015

Table No.1 shows the Analysis on the basis of age. Thirty four per cent of the total respondents are in the age group of 25-35 years, followed by 27 per cent in the age group of 35-45 years of age. Sixteen per cent of the totals are above 45 years.

This reveals that maximum respondents are in the age group of 25-35 years.

Table No.2 : Occupation Status

Occupation Status	No. of Respondents	Percentage
Employees	72	48
Businessman	39	26
Students	24	16
Others	15	10
Total	150	100

Source: - field survey 2015

Table No. 2 shows the occupation status of the respondents. A maximum of forty eight respondents were employees, twenty per cent of the total respondents were businessman, followed by 16 per cent of the respondents as students and 10 per cent of the respondents belongs to other occupation.

Table No. 3 : Sources of Awareness

Source of Awareness	No. of Respondents	Percentage
Television	54	36
Peer group	68	45
Retailers	28	19
Total	150	100

Source: - field survey 2015

Table No. 3 shows the source of awareness the respondents were asked to furnish the sources through which they come across to know about green products. Forty five cent of the total respondents got the information through their peers, followed by 36 per cent of the respondents through information through television and 19 per cent of the respondents got through retailers.

Table No. 4 : Constraint for Purchase of Green Products.

Constraint for Purchase	No. of Respondents	Percentage
Lack of awareness	72	48
Non-availability	39	26
High cost	24	16
Limited choice	15	10
Total	150	100

Source: - field survey 2015

Table No. 4 shows the constraint for purchase of green products.

A maximum of forty eight respondents are not even aware of green products, twenty six per cent of the total respondents says that the products are not available in the local market, whereas 16 per cent of the respondents have high cost concern and 10 per cent of the respondents says that there is limited choice of green products.

Table No. 5 : Monthly Expenditure on Green Products.

Monthly Expenditure	No. of Respondents	Percentage
Less than 2000	51	34
2000 – 4000	54	36
40000 – 6000	30	20
6000 & above	15	10
Total	150	100

Source: - field survey 2015

Table No 5 shows the analysis of monthly expenditure on green products. Thirty six per cent spends between 2000-4000 per month on store brands, while 34 per cent of the respondents spend less than 2000 per month. 20 per cent of the respondents spends between 4000-6000 and 10 per cent of the total respondents spends 6000 and above.

Table No. 6 : Factors Influencing Consumer Preference for Green Products.

Factors	No. of Respondents	Percentage
Price	58	39
Product variety	55	37
Packaging	15	09
Impact on environment	22	15
Total	150	100

Source: - field survey 2015

Table No.6 shows the Factors influencing consumers preference green products. Thirty nine per cent of the respondents believe that price is one of the important factor followed by product variety and impact on environment.

Major Findings

1. It is observed that most of the Respondents are in between the age group of 25 to 35 years.
2. It is found that out of 150 sample respondents, maximum respondents are employees i.e. 32% as compared to Businessman and students.
3. It was inferred that Price is the most important factor, influencing consumers preference for Green Products followed by other factors like product variety and quality of products.
4. It is found that majority of the respondents i.e.36% of the respondents spends between 2000-4000 per month on Green Products.
5. As far as awareness is concerned, Forty five cent of the total respondents got the Information through their peers, followed by 36 percent of the respondents through Information through television and 19 percent of the respondents got through retailers.

Suggestions

Green Products can be successfully marketed by following important strategies.

1. Design environmental products to perform as well as alternatives.
2. Promote and deliver the consumer desired value of environmental products and Target relevant consumer market segments.
3. Broaden mainstream appeal by bundling consumer desired value into Environmental products.
4. Educate consumers with marketing messages that connect environmental product attributes with desired consumer value.
5. Frame environmental product attributes as “solution” for consumer needs. For example rechargeable batteries offer longer performance.
6. Create educational internet sites about environmental products desired consumer value.
7. Employ environmental benefit and consumer benefit claims that are specific and meaningful.
8. Procure eco-certifications from trustworthy third parties and educate consumers about the meaning of eco-certifications.
9. Legal awareness regarding the environment should become a part of the secondary school curriculum, leading to legal empowerment of adolescents.
10. NGO's and other voluntary organizations can use the developed media and advertising to impact the knowledge regarding environment and ecolabels and its related aspects as it was found to be the effective channels.

Conclusion

There is a potential and growing demand for green products. Secondly, this potential demand will not materialize in the form of actual purchase with public information campaigns and there is evidence to assume that a large market for environmentally “unfriendly” products will remain available for products without an ecolabel.

The green marketing must show the benefits that the consumers would derive. Green companies must take into consideration the 4Ps—People, Planet, Profit and Process and work towards the well-being of the customers, employees and nature. Then they can surely drive economic development while preserving nature and create a more sustainable greener tomorrow.

Our understanding to green marketing is still in its infancy, perhaps due to the multidisciplinary nature of the enterprises

Marketing scholars focus on a host of business-strategy and public policy issues, including eco-level and market segmentation and the role of structural factors and economic incentives in influencing consumer behavior For environmental economists, green marketing signifies a broader trend in the evolution of environmental policies that focus on information disclosure. Political economists focus on collective action dilemmas inherent in green marketing at the consumer and producer level.

Clearly there are many lessons to be learned to avoid confusion i.e. what you can say as “Green Marketing Myopia”. The green marketers must understand the fact that they have to satisfy two objectives: improved environmental quality and customer satisfaction. Misjudging either or overemphasizing the former at the expenses of the latter may cause a fatal result for companies.

Research indicates that many green products have failed because of green marketing myopia; marketers myopic focus on their product’s greenness over the broader expectations of consumers. The effective green marketing requires applying good marketing principles to make green products desirable for consumers.

References

1. Chopra, S. Lakshmi (2007), "Turning Over a New Leaf", Indian Management, Vol-64, April-2007.
2. Fergus, A.H.T. and Rowney, J.I.A. (2005). Sustainable Development: Lost Meaning and Opportunity? Journal of Business Ethics, 60(1), pp. 17-27.
3. Frankel, C. 1992. “Blueprint for green marketing”, marketing executive review,2(5):pg22-23.
4. Ginsberg, J.M. & Bloom, P.N. (2004). Choosing the Right Green-Marketing Strategy. MIT Sloan Management Review, 46(1), pp. 79-88
5. Meyer, A. (2001). What’s in it for Customers: Successfully Marketing Green Clothes? Business Strategy and the Environment, 10(5), September/October, pp. 317-330. This Paper argues that economic theory can give additional valuable input to green marketing.
6. Ottman, J.A. et al, "Avoiding Green Marketing Myopia", Environment, Vol-48, June-2006
7. Peattie, K. (2001). Golden Goose or Wild Goose? The Hunt for the Green Consumer. Business Strategy and the Environment. 10(4), July/August, pp. 187–199.
8. Polonsky, M. J. "An Introduction to Green Marketing." Electronic Green Journal 1, no. 2 (November 1994).Prakash, A. (May2002) “Green Marketing, public policy and Managerial strategy “Business Strategy and The Environment, Bus.Strat.Env.II, pg 285- 297.
9. www.greenmarketing.net/stratergic.html
10. www.indiantelevision.com