



A SYSTEMATIC LEARNING OF USER APPROACH TOWARDS GREEN COMMODITIES

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Abstract

Purpose: *Consumers have increased their concerns in natural ingredients, sustainable packaging, and other green elements of products. The study was intended to evaluate customers' attitude, concern, behaviour and knowledge on green products.*

Methodology: *The study is based on considering qualitative research based on questionnaire research. On the basis of that, the data is collected using the SPSS software in order to analyze the data collected. In addition to that, regression and correlation are used to gain a better understanding of the topic of discussion. Evaluation was based on survey. 129 individuals' responses were collected and their participation was completely voluntary.*

Findings & Results: *The results computed using multiple regression analysis showed that brand authenticity and green product price significantly influences consumers' decision of purchase of those products. The response of the research stated positive outcome and most of the respondents were aware about green products. H4 is supported, clearly inferring that awareness of brand is a strong factor in making purchase decision of green products. It can be clearly inferred from the results that consumers' awareness, brand value and price of the product significantly influences purchasing decision of the consumer. An individual having little concern for environment have a stronger inclination towards green products.*

Practical Implications: *The findings may yield useful information for environmental sustainability. Consumers will become more conscious of their purchases. It will bring behavioural change towards environmental sustainability. The more aware the consumer is, the safer our environment will be.*

Keywords: *Environmental Concern, Consumer Attitude, Green Products, Awareness, Purchase Decisions.*

1. Introduction

1.1 Green Marketing

Green marketing has becoming one such step that is employed by several organizations in order to create a positive image of the customers in the right way. Green marketing is stated to be a concept that has been in existence since 1980. It is stated to be environmentally friendly products by making suitable changes in the production of items. It is undertaken through a number of activities in terms of making the change in the technology of production along with packaging and the advertisement strategies are undertaken under this regard. For example, green marketing is defined as “the holistic management process responsible for identifying, anticipating and satisfying the requirements of customers and society, in a profitable and sustainable way” by (Peattie, 2017) whereas (Coddington, 2017) defines it as “marketing activities that recognize environmental stewardship as a business development responsibility and business growth opportunity [...]”. The product marketing activities and product quality should form as a differentiation in terms of providing brand image and builds the core competency among the existing companies this should in turn create a change in the buying



behaviour and consumer attitude towards perceiving a brand. This helps to build a solid base towards developing a long-lasting brand image and also serves as a key contributor for growth of the firm.

1.2 Green Product

Green product is said to be a product that is produced by using the green process. The prime focus of such products is to make use of renewable or toxic free products with the aim of reducing the harm to the environment as a whole. A producer should offer green items, which not exclusively should besmirch the environment but ought to ensure and even alleviate existing environmental damages (Agyeeman, 2018).

1.3 Green Price

Price is an essential and imperative aspect of green promoting mix. Majority of customers are ready to spend extra if price is worth the product. This increased value may be attributed to improved quality, design, appearance or taste. These facts must be mulled over by companies before charging premium price.

Green pricing can be term as the appropriate gain that is gained with consideration of the workers in relation to the productivity of the people (Joshi and Rahmen, 2018). A key point to keep in mind is that the green products value can be enhanced with regard to making alterations in its appearance and function along with change in production methodology etc.

1.4 Green Promotion

Green marketing incorporates diverse means for endorsement, such as, promoting or showcasing products, signage, web sites, graphical and video presentations by considering individuals for making pleasant benefits (Chase and Smith, 1992). The way green producer attract customers is through performance along with the health benefits and the accessibility and eco-friendliness in order to attract large set of customers. The right knowledge can be offered to them in terms of the advantages that the products offer. One can assess the different profiles in this regard in terms of green marketing in relation to social awareness across the online medium. In addition to this, word of mouth or personal selling are other ways of the promotion green marketing.

1.5 Green Place

Distribution logistics holds great value in terms of the selection of the right distribution channel in this regard. The decision with regard to when and where in terms of selection of the place and product with regard to the market also has a huge influence on the buying behaviour of the customers of the product.

1.6 Green Packaging

Sustainable packaging is the way the products are packed in an eco-friendly way. This involves increased use of Life Cycle Inventory (LCI) and Lifecycle Assessment (LCA) to help and guide the use packaging, which reduces the environmental impact and ecological footprint (Chweppker, et al., 2017). It is done by using such packaging methods that are better for the environment in terms of the environmental impact they hold and reduction in the carbon footprint of the same. It is done by making use of such material for the packaging of the goods and products that consumes less energy and are better on the environment as compared to the other methods of packaging. In other words, sustainable/green packaging uses eco-friendly methods, relying on energy efficiency and 3Rs namely, reuse, recycle and reduce and much more.



II. Review of Literature

Green awareness can be primarily grouped in three categories: Consumers' outlook towards environment, knowledge in terms of the green products along with the price charged for the same and the brand value in terms of the awareness created by it.

2.1 Consumers' Attitude towards Environment

The factors in association with consumer awareness related to the environment and the matters concerns to elements that are linked to their biophysical surroundings and issues associated with them. Murphy et al., 1978 previously reported in a study state that the female gender is stated to have a better concern about nature and the environment as compared to that of the male gender. In other studies, it has been reported that consumers' attitude towards environment is directly related to product information, authenticity of information provided with green products and its accuracy, benefits of that product (Forkienk 2016; Luches et al. 2016). In 2006 Barr and Gilg realized that individuals who are environmentally aware are more conscious towards environmental problems and feels that they are accountable to help improve their environment. This can be accomplished by extensive advertising green items, printing their benefits on their packing, organizing environmental awareness campaigns to help eliminate false perceptions of eco-friendly products.

Thus, it is expected that:

H1 – The concern that the customers have with respect to the environment which in turn has an impact on the buying decision of the customers.

2.2 Green Product and Price Awareness

A product can be termed as green if it is nontoxic, grown, and recycled/reused, doesn't involve animal testing not causing pollution of any kind, and nominally packaged containing natural or recycled components and certified safe chemicals (Ottmean 2016; Pevan 2017). When debating about green product and its awareness, price of product plays a major role which consumers cogitate when paying for a green product. Consumers are less interested to pay premium prices for green products (Blend and van Ravensewaay 2016; D'Souzaa et al. 2016). However, from eastern Asian countries a faction of environmentally sentient customers is willing to pay increased price for environmentally friendly products (Shamsii and Siddique, 2018). It should be noted that the products offered under the label of eco-friendly must be safe without compromising quality and price of product.

A different set of hypotheses in association with the variables are –

H2 – The awareness of green products by the consumers has an impact on their buying decisions.

H3 – The awareness of the price of the products by the consumers has an impact on their buying decisions.

2.3 Brand Image Awareness

It is the consumers' opinion or the image of a brand is the perception that the company or the brand has in relation to the green product. The image in this regard states the different ways. A brand image can help companies to boost their sales and help in introduction of new brands in the market (Markwick and Fille 2016). It was reported that consumers are preventing themselves from using products which they are not aware of in terms of being not aware of such products and sceptical about the product and brand associated with it (Gleggs et al. 2016). Conversely, companies which advertise their products as green and have a brand value; consumers are more likely to associate with them. Earlier (Ottmen, 2016)

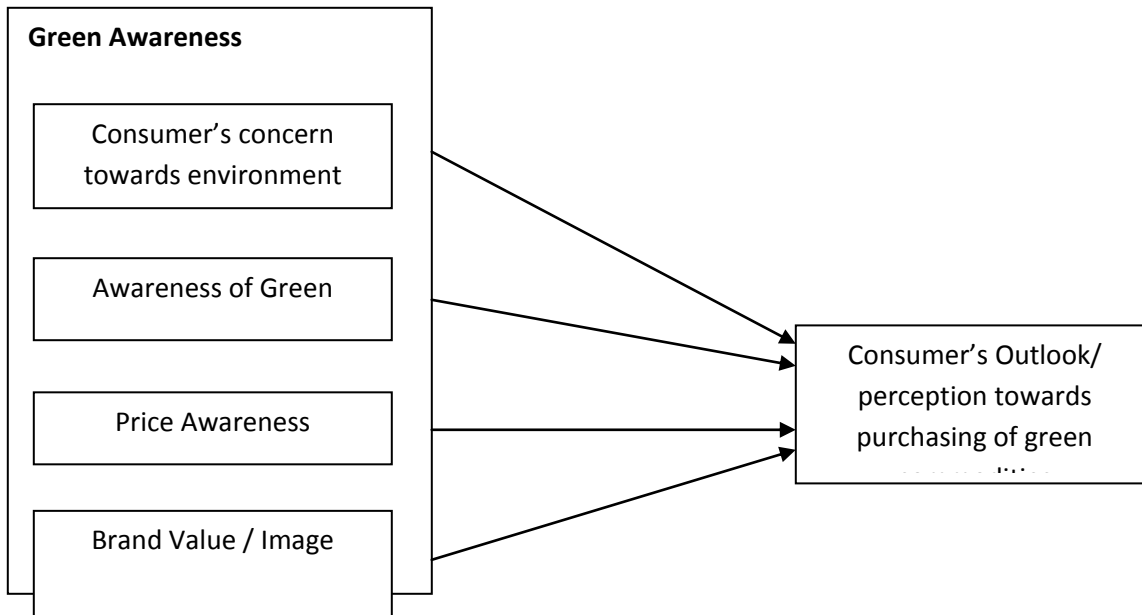


studied consumer behaviour and found consumers are influenced if the product they are purchasing is green. This is because of advertising campaigns which help increase in awareness of green products and building an optimistic corporate image in the consumers' head (Adkins, 2004).

Therefore, it is deduced that:

H4 – The awareness of a consumer in terms of the brand and its image has a huge influence in the buying decision of the consumer.

Figure 1. Proposed Research Framework.



III. Research Methodology

In order to get a better understanding of the topic, a research study takes place. In order to do the same, a quantitative method of data collection was done. This was done by conducting a survey that would hold a response of 129 responses. Survey forms were filled with a response rate of 80%. According to Roscooe (1999), sample size between 30-500 is considered satisfactory. Data collection was done for a period of 14 days (from 27 August 2017 to 15 Sept. 2017) using survey technique. Responses from people of diverse age groups, education and profession from areas near Amity University Noida, were collected from questionnaire given to them previously. Their role in the study was completely voluntary. The survey consisted of 17 questions pertaining to consumer attitude towards environment, green products and brand image and 5 questions related to their personal information like age, gender, qualifications, profession and monthly income. The volunteers were required to respond to questions in agree, disagree neutral, strongly agree and strongly disagree. In order to measure the responses, the researcher made use of the Likert's scale. The basis of the scale is from 1 to 5 where one stands for strongly disagree and 5 stands for strongly agree. SPSS program was used for data analysis. Regression and correlation were done to explore relationship between green products and their purchase.



IV. Results and Discussion

From the response received as per table 1 state the demographics of the respondents who participated in the research. Majority of respondents were males (52.71 percent) with females constituting 47.2 percent. Most of the respondents were in age category 20-30 years. This group was more concerned about environmental issues and had more inclination towards green products.

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Table 1: Demographic profile of respondents.

	Frequency	Percentage
Gender		
MALE	68	52.71
FEMALE	61	47.29
Age		
20-30 Years Old	96	74.41
30-40 Years Old	21	16.21
40-50 Years Old	10	7.75
>60 Years Old	1	0.77

4.1 Correlation Analysis

The relationships in terms of the variables were analyzed with the help of the Pearson correlation analysis. The average score was counted while making use of correlation analysis. According to (Lind et al., 2010) when r value is in between -0.1 to 1.0, correlations are strong. Results in Table 2 reveal that all variables were correlated and the r value ranges from r = 0.256 to 0.588. Thus, there is no multi collinearity issue in this study.

Table 2: Correlation analysis

	1	2	3	4	5
Consumer Concern towards environment	1				
Consumer Outlook towards Green commodities	0.328	1			
Brand Image / Value	0.401	0.336	1		
Price Consideration	0.386	0.594	0.287	1	
Willingness to Purchase green commodities	0.256	0.283	0.355	0.588	1

4.2 The connection between the buying decision of the consumer and green awareness

Relationship analysis was done using multiple regressions between consumer attitudes towards green products, environment, brand image and purchase of green products. Results are summarized in table 3. The *F* stat generated ($F = 21.092$) and was significant i.e., Sig. $F < 0.01$ which confirms fitness of the model. R^2 was adjusted to 0.698, suggesting that four factors significantly influence 69.8 percent variation in purchase decision.



Table 3: Relationship between awareness and purchasing decisions

Variables	Unstandardized Coefficient		Standardized Coefficient	T	Sig
	B	Std Error	Beta		
Consumer Outlook /attitude towards environment	0.005	0.053	0.004	0.051	0.83
Awareness of Green Commodities	0.065	0.052	0.028	0.377	0.58
Brand Image	0.522	0.081	0.382	3.42	0
Price awareness of Green commodities	0.129	0.029	0.283	6.128	0.0
Adjusted R2	.698				
F	21.092				

*Significant at 0.05 level; **Significant at 0.01 level.

The estimated regression equation for the model is formulated as follows:

$$Y = 0.778 + 0.004X_1 + 0.028X_2 + 0.382X_3 + 0.283X_4$$

In this:

Y = The buying decision of the consumer

X1 = Consumers' attitude towards environment

X2 = The knowledge in terms of the price that is being charged of the product

X3 = Brand image

X4 = Willingness to buy green product

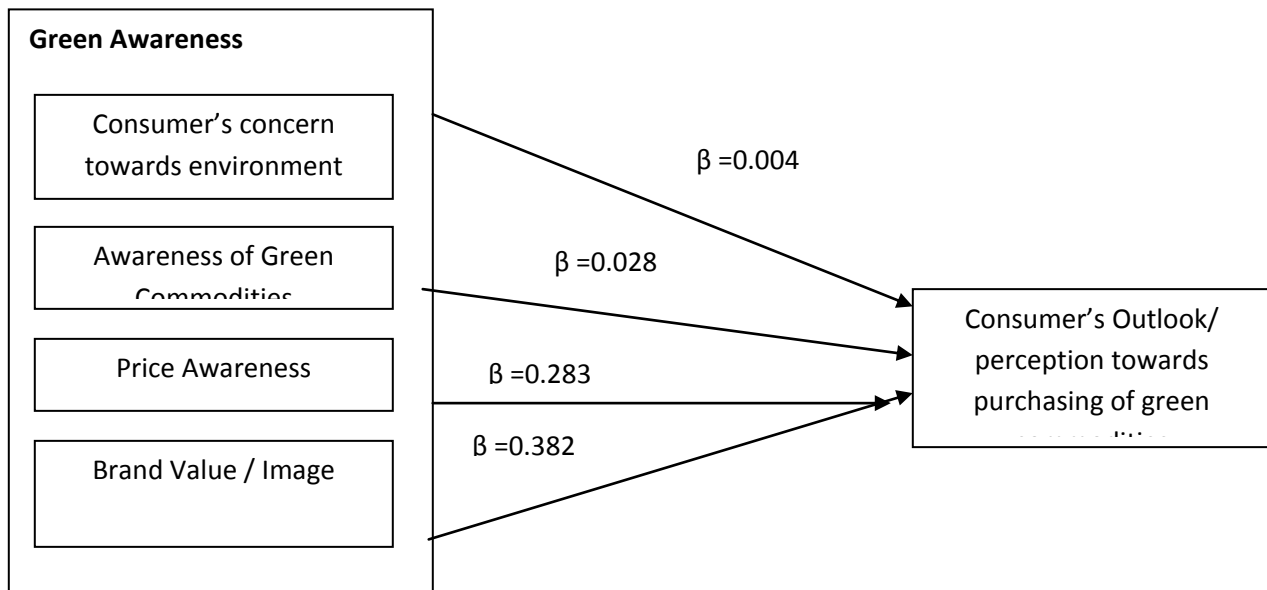
The above result (Table 3 and figure 2) confirms that consumers' attitude towards environment is immaterial towards their decision of purchasing green products ($\beta = 0.004$; $t = 0.051$; $p > 0.05$). Therefore, first theory is not supported stating that environmental concerns are insignificant in making consumers' purchase decision. This result is in contradiction with previous findings of (Gaan et al., 2015). The second theory also gets rejected as awareness of green products is not able persuade consumers to go for green product ($\beta = 0.028$; $t = 0.377$; $p > 0.05$).

However, price awareness plays significant role in making purchase decision of green products. The multiple regression analysis for the same shows a direct relationship between price and purchase decision ($\beta = 0.283$; $t = 6.128$; $p < 0.05$). Hence, hypothesis third is validated. Similar results were previously reported by (Loureiro and Loetade, 2015) and (Lungee, 2016).

Results for H4 show that brand image has a significant role in influencing purchase decision of consumers. Consumers have a great propensity of buying those products which have brand value or big brand name behind them. This is evident from the results ($\beta = 0.382$; $t = 3.42$; $p < 0.05$). Thus, the hypotheses in relation to H4 is fulfilled. This states that there is brand knowledge about the product.



Figure 2: Results



V. Conclusion and Implications

The study investigates consumers' beliefs, behaviour, attitude and awareness towards environment, green products, price and brand authenticity when making purchase decision. It can be clearly inferred from the results that consumers' awareness, brand value and price of the product significantly influence purchasing decision of the consumer. Consumers tend to buy those green products which have big brand name behind them. Study also confirms that individuals who are aware both of environmental issues and brand image have a greater inclination towards purchasing green products (Singhe et al., 2017). Therefore, marketing green products in environmentally friendly way can help companies to boost their sales.

Consumers are also keen on knowing detailed information about green products and are also attracted towards catch by lines. This can be achieved by providing detailed eco-labels on green products and marketing them with some slogans or jingles. This also helps consumers to memorize the product and influences their purchase decision. The findings may yield useful information for environmental sustainability. Consumers will become more conscious of their purchases. It will bring behavioural change towards environmental sustainability. The more aware the consumer is, the safer our environment will be.

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