

International Journal of Research in Marketing Management and Sales



E-ISSN: 2663-3337
P-ISSN: 2663-3329
IJRMMS 2020; 2(2): 01-05
Received: 02-05-2020
Accepted: 05-06-2020

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The impact of green marketing on consumer purchase behavior

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Abstract

Nowadays, consumers have become more conscious to environmental issues all over the world. They have become more aware about environmental safety. For this reason, green marketing is being used globally by most of companies as a tool of environmental safety. Now, consumers only buy the products that are harmless to the environment. The main objective of this paper is to highlight the impact of green marketing on consumers' purchase behavior. This paper focuses on the influence of green marketing on buying behavior of consumers.

Keywords: Green Marketing, Sustainable Development, Consumer Purchase Behavior.

Introduction

Fuiyeng & Yazdanifard (2015) identified that green Marketing is emerging as a latest and most popular trend. Most of marketers have started using green marketing as a tool of environmental safety. Consumers have become more concerned about environmental problems due to climate change and global warming over the past decades. American Marketing Association (AMA) defined green marketing as marketing of products that are considered to be environmentally-safe. Hence, green marketing means marketing of products that have less negative impact on the environment. Yazdanifard (2011) stated that green marketing can be defined as the promotion of environmentally safe products. Govender & Govender (2016) considered that green marketing is used interchangeably, as ecological marketing, environmental marketing or sustainable marketing. Therefore, a company will have to work as environmentally-friendly way. If a marketer wants to success in green marketing then he will have to operate in environmentally-friendly way.

Origin and Development of Green Marketing

The first workshop on "ecological marketing" was held by American Marketing Association (AMA) in 1975. Bhatia & Jain (2013) considered that green marketing came into existence in the late 1980s and early 1990s. The information about green consumer and green consumerism has been found in 1970s and 1980s. Green marketing came into eminence since early 1990s. Eneizan et.al. (2016) identified that the 1980s is known as the first stage of green marketing, during that companies were established with an unknown concept. This decade marked the next stage of green marketing. During that period marketers noticed the responses of consumers and environmental activists. Furthermore, Punitha & Rashdi (2013) considered that the third stage of green marketing started in 2000, during that environmental awareness programs, implementation of advanced technologies and implementation of government rules and regulations strictly attracted the attention of researchers and environmental activists towards the green marketing concept. Henion & Kinnear (1976) defined green consumer as environmentally conscious consumer. Antil (1984) defined green consumerism as a particular type of socially aware consumer behavior with main focus on environmental- safety.

Why is Green Marketing adopted by most of Companies?

Green marketing has been adopted by most companies at worldwide level. Saini (2013) identified some possible reasons for adopting green marketing, which are given below:

1. **Opportunities:** Most of firms have adopted green marketing to have an competitive advantage over other firms. They have become more environmental responsible. Now,

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the companies have become more concerned about environmental safety. For example: Xerox company launched a high quality recycled photocopier paper in the market to fulfil the demand of firms for less environmentally harmful products.

2. **Competitive Pressure:** Many companies want to maintain their competitive position. They want to make their own competitive position among other competitors. So, they are using green marketing strategy as a tool.
3. **Government Pressure:** Government designs various rules and regulations to protect consumers and society. Reduce the production of harmful products and by-products. For example: ban of plastic bags.
4. **Social Responsibility:** Most companies have realized that they are part of the society. Therefore, they also have a responsibility towards the society and environment. They must behave in environmentally friendly manner.
5. **Cost or Profit issue:** Reduction of harmful wastage may result cost savings. By adopting green marketing firms can reduce harmful wastage. It results cost reduction. If cost will reduce then profit will increase. So, most firms are using green marketing for cost or profit issue.

Green Marketing and Sustainable Development

Green marketing means marketing of products that are less harmless to the environment or the marketing of products that have less negative impact on the environment. Chan et.al. (2012) defined green marketing as integrating the environmental issues into strategic marketing process. Furthermore, Chan (2014) considered green marketing as a management process of identifying, understanding and satisfying needs and wants of customers and society in a beneficial and sustainable way. According to the World Commission on Environmental Development (1978), Sustainable Development means "meeting the needs of the present without compromising the ability of the future generations to meet their own needs. Fuiyeng & Yazdanifard (2015) considered that the main point behind this strategy of sustainable development is the need to merge economic and ecological developments in decision making by designing policies that conserve the standard of agricultural development and environmental conservation. In this way, the end product of green marketing is environmental protection for the current and future generations.

Marketing Mix: Green Marketing

Govender & Govender (2016) identified that green marketing includes product development, implementation of pricing, promotional and distribution strategies especially designed to promote environmental welfare and environmental conservation. Green marketing mix includes product development, pricing, promotional and distribution strategies to promote environmental welfare. Green marketing mix is explained below:

Green Product

Actually, there is no exact definition of green product. However, if a product is manufactured under environmentally friendly process and harmless to the environment, it is called green product. In other words, green products are the products that are harmless to the

environment i.e. that have less negative influence on environment. Sao (2014), Bhatia & Jain (2013) identified some common features of products, which are generally considered as green products:

- 1) Recyclable, reusable and renewable
- 2) Durable and Bio- degradable
- 3) Those are originally grown and under approved chemical
- 4) Not Tested on animals
- 5) Locally manufactured
- 6) Water efficient
- 7) Energy efficient.

Diglel & Yazdanifard (2014) stated that a green product is an item that is manufactured in a way that is environmentally aware, has minimum negative impact on the environment, product or package material made from recycled material conserves the natural resources and is manufactured locally.

Green Price

It is the main element of green marketing mix. Price is the amount that an individual must pay to obtain an item. No doubt, going green is costly because there are various costs such as awaring the people, advanced technology and converting waste into recycled material etc. Bukhari (2011) presumed price as the main reason, consumers not to buy green products as they presume them to be expensive. Furthermore, Abzari, Faranak, Sharbiyani & Morad (2013) considered that the consumers will pay a higher price if the benefits of consuming green product are above the price.

Green Promotion

It is also an important element of green marketing mix. Promotional activities are very necessary in green marketing. Marketers have to communicate the information of go green to the consumers. Green advertising and public relations have become important tools for launching go green project of a business. Product packaging is also an important tool. Green advertising can be used to promote the green products. Agymen (2014) believed that choice of consumer for a green product is highly influenced by packaging. Thus, promotional activities of a business will influence green purchase decisions of consumers.

Green Place

Green place is also an important component of green marketing mix. Green place is also known as Green Distribution. Green distribution includes designing the pathway in a way to reduce environmental destruction, because most of the damages take place during the shipping of products. Arseculeratne & Yazdanifard (2014) considered that safety precautions must be applied during the shipping of goods.(Kontic, 2010) identified that the location and accessibility to products or services have an influence on consumers as most consumers don't want to travel far to purchase the green products but they opt for closer alternatives. Therefore, when green products are easy to access it provides encouragement to green purchasing. Gittell, Magnuson & Mirenda (2015) believed that supermarkets make it suitable for consumers to obtain green products.

Tools of Green Marketing

Delafrooz, Taleghani & Nouri (2013) identified that Eco-Label, Eco-brand and environmental advertisement are the green marketing tools which make perception easier and increase awareness about eco-friendly products, characteristics and aspects. These tools influence consumer purchasing behavior to purchase eco-friendly products. A brief description about these tools is given below:

Eco-Labeling

Eco-Label is an important green marketing tool used on eco-friendly products. Fuiyeng & Yazdanifard (2015) considered that eco-labels are used for the labelling of green products. It makes the consumers understand how the process of products is made. Label consist of a range of small pieces of paper up to very complex diagrams that are included as a part of the goods packaging. Labels can include simply the brand of products or a range of varied information. Kotler & Armstrong (2010) stated that in some conditions, the seller may want a simple "label" but law obliges them to contribute additional information. Eco-labels help the consumers to easily distinguish between environmentally friendly products and normal standard products. Nik Abdul Rashid (2009) considered that awareness of eco-label has a positive impact between the knowledge of a green product and consumers' intention to purchase green product.

Eco-Brand American Marketing Association (AMA) defined a brand as a "name, term, sign, symbol or design or the combination of them, intended to identify the goods or services of one seller or group of sellers and to distinguish them from those of a competitor." This description can be generalized for the Eco-brand as well. Eco-brand is a name, symbol or design of products that are harmless to the environment. Delafrooz, Taleghani & Nouri (2014) identified that applying eco-brand features can help the consumers to distinguish the green products from other non-green products. Green brands should be used to clarify the situation that green products function the same as non-green ones. Green brands should be used to help consumers differentiate green brands from other identical brands with same actions.

Environmental Advertisement

As, consumers have become more concerned about the environment, green marketing activities progressed. Fuiyeng & Yazdanifard (2015) stated that in order to improve green movements at worldwide level and attract public attention to environmental problems, most organizations have started using environmental advertisements through media or newspapers, as a technique for introducing their products to environmentally conscious consumers. Environmental advertisement is also known as green advertisement. Davis (1994) described that there are three main elements in environmental advertisement: Firstly, the advertisement begins with a statement of company that is related to the environment. Secondly, it describes that company has changed its procedure to demonstrate, dedication and concern to improve the environment. Thirdly, the advertisement describes specific environmental actions in which company is involved. Alniacik & Yilmaj (2012) stated that marketing managers and advertising professionals need to expert in environmental information

and presentation of environmental information in the advertisements. In this way, marketing managers who wants to be environmental responsible, influence of green advertising is a major issue for them.

Green Marketing and Consumer Purchase Behavior

Consumers can affect the environment, similarly environment can influence consumers. So, it not so easy knowing consumers, consumer behavior or perception. Delafrooz, Taleghani & Nouri (2014) identified that sometimes consumers express their needs and wants but they do in different ways. They can be unaware about their inner motivations or react to the influencing factors and at last they change their intention. Furthermore, Cohen (1973) stated that green marketing activities are increasing rapidly in most countries. These activities have an significant role to consumer knowledge and in shifting the consumers to purchase green products. Kotler (2000) considered that marketing professionals should collect information about consumers needs, influencing factors and their purchasing behavior. Thus, green marketing influences consumers' purchase decisions by attracting their attention towards environmentally-friendly products. Green marketing tends the consumers to buy green products. In this way, green marketing has an positive impact on the buying behavior of consumers. Delafrooz, Taleghani & Nouri (2013) identified that there is an important and positive relationship between green marketing tools and consumer's purchase behavior. Yazdanifard & Mercy (2011) stated that consumers want to associate themselves with the companies and products that are environmentally- friendly. Thus green marketing has an positive impact on buying behavior of consumers.

Challenges of Green Marketing

Green marketing may face some challenges. Peattie & Crane (2005) identified following five strategies that may cause to the failure of green marketing:

- (1) **Green Selling:** Some firms may describe their products as eco-friendly just to increase sales. It means some firms merely can describe their products as green products to increase their sales.
- (2) **Green Spinning:** Some firms may appoint public relations officer. Use of public relations officers to reject the criticisms towards them especially towards their organizational performance or practices. Public relation officers communicate the message effectively to the news and to the public.
- (3) **Green Harvesting:** When green marketing approaches are adopted to reduce operation or production cost. It means most firms use green marketing practices for cost savings. This type of firms use green marketing only to reduce their operation or production expenses.
- (4) **Entrepreneur Marketing:** Green products of some companies do not match with the expectation of consumers, because they fail to know what their consumers want from them. Their products do not match consumers' needs and wants because the firms fail to know what their consumers expect from them.
- (5) **Compliance Marketing:** Comply with the implemented regulations, firms avoid penalties from the government.

Firms avoid penalties of the government by following rules and regulations of the government.

Benefits of Green Marketing

Nowadays, consumers have become more aware about environment and have become environment responsible. There are various benefits of adopting green marketing for those who accepted this new concept. Eneizan *et al.* (2016) identified that the important benefit of green marketing is revenue increased. Second benefit of green marketing is cost reduced because cost of raw material in green marketing is low. Third and most important benefit is that it will improve the image and reputation of firms among their target customers. Another benefit of green marketing is that they can get loans, tax breaks and subsidies from the government, because government try to provide maximum support to this type of firms. Other than this, Fuiyeng & Yazdanifard (2015) considered that production process of firms, disposal or treatment of wastage may cause green house gases, it results global climate change which may cause green- house effects. But, by adopting green marketing practices, the firms can save the world by saying people's health and environment.

Conclusion

The objective of this study was to investigate the impact of green marketing on consumers' purchase behavior. This paper provided a deep review about green marketing and it's influence on consumer purchase behavior. The concern for environmental issues is increasing rapidly. People have become more conscious about environmental protection. Therefore, most organization have adopted a new concept known as "green marketing". Green marketing has emerged as a new marketing strategy. Green marketing is a tool for environmental protection. If the firms want to survive in the market, they need to go green. Consumers want to recognize themselves with the firms which are green complaint. They want to identify themselves with the companies and products that are eco-friendly. They are willing to pay more for a greener life style. That is why, the use of green marketing is increasing rapidly as an environmental protection tool. Green marketing should not be considered just an environmental protection tool, but also a marketing strategy.

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