

# Awareness of Green Products and Its Effect on Consumers Purchase Decision

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## ABSTRACT

This research study is on the green marketing but specifically on determinants of purchase decision of green products. It has now been a global concern to protect environment from pollution caused by humans. With this vital information through the research provided by different researchers and expertise, companies have understood the importance and value of green marketing in business also. This information is the basis of literature of this research study. The objective of this research paper had looked into and explored the influence of four traditional marketing mix elements, satisfaction and word of mouth (WOM) on attitude and purchasing intentions of consumers on eco-friendly products specifically fast moving consumer goods (FMCG) or non-durable ones. The purpose of this study is to find out the behaviour of consumer toward green product and collect information on the same. The findings indicate that consumers already buying eco-friendly products and those who are satisfied by the previous purchases were willing to repeat purchases. Indeed satisfaction goes with purchase intention. Furthermore the importance of WOM and Advertisement about green products the fact that consumers believe in green claim explain the variance of the purchase intention. Positive attitudes concerning willingness to pay an extra price for green products are also correlated with purchase intention. However we discovered also that positive attitudes towards green products do not always lead to action i.e. purchase of these products. Our findings demonstrated that there were differences in attitudes and purchase intention toward green products between mainly the women and men.

**Keywords:** Green marketing, Marketing-mix, Word of mouth, Satisfaction, Attitude and Purchase Intention.

## INTRODUCTION

The objective of this introduction is to present the general background about green marketing. While globalization process continues in its full speed across the world, this process has also brought some problems with it. Leading one of these problems is environmental problems that affect all living beings negatively. These aforementioned environmental problems have started to come to the agenda more and more in the recent years and people have started to talk these negativities. Consumers now have worries about the future of the world and as a result of this mostly prefer environment friendly products. In return to these attitudes of the consumers, companies have started to form their marketing strategies so as to appeal increasing awareness of this environment-friendliness.

These marketing strategies, named as green marketing, have caused companies to adopt green policies in their pricing, promotion, product features and distribution activities. Green marketing term was first discussed in a seminar on "ecological marketing" organized by American Marketing Association (AMA) in 1975 and took its place in the literature. In this seminar where the impact of marketing on natural environment was analysed with the contribution of academicians, bureaucrats and other participants, ecological marketing concept was defined as follows: Studies regarding adverse or positive impacts on environmental pollution, energy consumption and consumption of other resources as result of marketing. The growth of green marketing research dates back to 1980s when there was emergence of concept of green marketing. Early literature indicates green marketing to be an approach which indicated signs of shift in consumer attention to green product. At that time green marketing research concentrated on the shift in consumer consumption of green products. There was a great deal of empirical research carried out to identify interest among consumers in using and purchasing green products. Green marketing approach was researched from a corporate interest point of view in the early 90s. Research indicated that

92% of MNCs from Europe changed their products to address growing concerns of environmental pollution. Green marketing research has come a long way since then. Consumers from the developed countries including USA and Western Europe were found to be more conscious about the environment. Research in the last decade has indicated that consumers are aware and are willing to pay more to "go green". There is limited research which has examined the impact of green marketing on consumers from emerging economies like India.

### Green Marketing

In order to develop goods that can appeal to the consumer, reasonably affordable prices and environment-friendly products causing minimal damage are required. In order to reflect an image of high quality, environmental sensitivity and hence production of products compatible with environment are required.

Green marketing has rose attention due to the environmental deterioration and it becomes a global problem. Nowadays, the American Marketing Association (AMA) divided the definition of green marketing in three aspects as the marketing of products that are presumed to be environmentally safe (retailing definition) as "the development and marketing of products designed to minimize negative effects on the physical environment or to improve its quality" (social marketing definition) and finally as "the efforts by organizations to produce, promote, package, and reclaim products in a manner that is sensitive or responsive to ecological concerns" (environments definition). Companies are using green marketing for many reasons as green policies are profit making; the business world is more and more implicated into social responsibilities.

Furthermore consumers are changing their attitude and due to government pressure and competition it is essential for the firms to adopt green marketing strategies. According to some press release and research survey, the Consumer packaged goods (CPG) or FMCG sector should follow 12 trends among these trends some of them concern the environment such as "redefining natural" or "sustainability" such as respect the regulation to say that a product is natural or not and for example continue to reduce packaging. These trends show that the FMCG sector is going to change and become greener.

An eco-friendly product is supposed to reduce the impact of its consumption on the environment thanks to the use of making-processes, components and recycling techniques which are less harmful for the natural environment than those of conventional products. The market of green products is more and more increasing. In this thesis "eco-friendly" as well as "green" products will be used to mention environmental products.

### LITERATURE REVIEW

**Blackwell et al., (2006)** defined as what consumers think they will buy. Consumer intentions play an important role in marketing strategies (to implement four P strategies) because they permit companies to evaluate how many products could be produced according to the demand. To predict the purchase intention, companies can interview consumers about their past behaviours in order to forecast their future behaviours but the products that people bought in the past can be different of those they will buy. Thus another method is to ask consumers what they intend to do.

**Chitra (2007)** explained them and the product to produce is to provide healthy consumption, place as the availability of the products and its awareness, price as the value of the product or service produced, the promotion of eco-friendly approach in the utilization resources and awareness of pollution, physical distribution could be involved in the storage and other logistics should temper or harm to the environment. Finally, people are the employees and customers should have eco-friendly or eco mind-set in the production and consumption in order to achieve green marketing objectives. They are very important elements of marketing to safeguard or preserve the environment due to the process of the eco products and final consumption.

**Picket-Baker and Ozaki (2008)** examined in their research that environmentally conscious consumers were likely to pick or purchase brands they knew produced by companies whose goods and production method were more "environmentally friendly". The experience and satisfaction of the green products have great impact on the feeling and action of the consumers' attitude.

**Hartmann and Apaolaza-Ibanez (2009)** Green advertising can be varied in addressing issues from the environmental issues, environmental friendliness of the products, corporate image campaigns and emphasis on the environmental credential of large companies, to public campaigns promoting environmental responsible behaviours, Advertising plays essential role in the green marketing. Since advertising is a broad topic on its own we would narrow the research on the consumer's views and roles advertising play to influence consumers to make purchases of eco-friendly products.

**Kacheru, G. (2018)** Environmental marketing, more popularly known as green marketing or sustainable marketing can be defined as the effort by a company to design, promote, price and distribute products in a manner which promotes environmental protection. Green marketing has been defined as 'all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment.

**Subooh Yusuf and Zeenat Fatima (2015)** made a study to explore the concept of green marketing, or green products in relation to consumer behavior. They identified that the major Sources from where the people get information about green products are school/university. 60% of the people under study are aware about green practices.

**Anu Varghese and Santhosh (2015)** made a study on consumers' perception with reference to Kollam district in Kerala. 80 consumers were selected on a convenience basis. According to the study the majority of the respondents are aware about eco-friendly products. Organic vegetables and food products were mostly preferred by customers. The major factor influencing the buying behaviour of consumers is quality of the product, and the problem faced, by the consumers are lack of availability of products, high price and law promotion.

**Kacheru, G. (2021)** conducted a small survey of 150 samples from Navy Mumbai. Questions related to Environment and buying behaviour were asked to the respondents. The survey revealed that there is growing concerns about environment and increasing. It is revealed that Indian consumers' pro-environmental concerns, knowledge of environmental issues, awareness of eco-friendly products, and educational levels effect on green buying behaviour. The awareness about the products should be done through advertising so that individual buying behaviour can be changed which can have an impact on the welfare of the environment. It is also important that companies aiming at developing new eco-friendly products should ensure that products perform competitively. Green marketing is still in its infancy and a lot of research is to be done on green marketing to fully explore its potential.

### Research Problem

The deterioration of the environment led to the adoption and the development of consciousness of consumers' attitude towards eco-friendly products in order to preserve the planet. They therefore, deem it expedient to take measures towards protecting the environment which has become their personal attitude towards eco-friendly foods. Consumers patronize the products and their aims are to make sure the contribution is supporting sustainable environment and contribution the guiding of the climate change. However, it has become global struggling to achieve the purpose of the environmental protection so companies are using various means to persuade the consumers' segments. Who are environmentally conscious to change their attitudes from the conventional products towards green products and also satisfy their needs. Some of the previous researchers have emphasized on the four concepts on the "demographics, green lifestyle, green attitudes and green behavioral intentions in the context of the low involvement product category".

There are many studies about the consumer behavior concerning the environment but most of them are concentrated on one or two marketing-mix elements and they do not make a link with the actors that companies use to make consumers buy green products and their attitudes towards these products. Furthermore, previous findings concerning consumers' attitudes towards eco-friendly products are conflicting e.g. some studies found that consumers think conventional products have high quality compared to eco-friendly ones but in other studies results show the opposite. In some studies we can find that consumers are willing to pay more for green products and in other studies it is not the case or the extra price has to be low.

These findings led us to make up our own opinion about this subject: consumers' attitudes toward green products and purchase behaviour. Indeed the aim of this study is to examine factors which influence the purchase of eco-friendly products in a broad way, in order to demonstrate what actors used by companies from the marketing-mix elements have an influence on green purchase behaviours and if some are more important than others.

### Objectives of the Study

- To know the awareness of green products and its effect of consumer purchase decision
- To analyze consumer purchase intention towards green products
- To know the consumers' preference towards types of green products

## RESEARCH METHODOLOGY

In order to investigate the research objectives, both secondary and primary data have been collected and analyzed. The first stage of the research process was an extensive search of articles, reports and professional information concerning determinants of purchase decision in green marketing using the internet and academic databases. The analysis of secondary information provided the general context for initiating the collection, analysis and the interpretation of primary data. The study was carried out in various place in Cuddalore District.

The primary data was collected through questionnaire contains the HEP-NEP questions (Dunlap and van Liere, 1978) to measure consumer general environmental beliefs with the possible responses of strongly agree to totally disagree. The next part of the questionnaire covered marketing and branding issues related to consumer awareness and again, the HEP-NEP environmental questions were used to contextualize the responses to the consumer product questions with the suggested responses from strongly aware to totally unaware. Five point Likert scale (5, 4, 3, 2, 1) technique was used to quantify the variables. Each proposition is considered as a variable and most of the propositions are framed in a positive scale. Respondents were also asked to name any green product types that they had experience of using. In the empirical analysis for all positive propositions, if one gets on an average a high score. i.e. towards agreement indicates that the respondents are in right perspectives.

### Statistical Methods

The statistical methods used in the analysis were: Means, Coefficient of Variation - to analyze the Average level of perception of the Respondents means and standard deviations; Student's t-test is used to explain equality of average level of perceptions; Factor analysis is used to reduce the number of variables into a few in numbers without losing the inherent qualitative information; Multiple regression method is used to explain the variation in the dependent variable, given a set of independent variables.

### Sampling Design

A convenient sampling design was followed and intercept method was used for data collection. One hundred and twenty women consumers (Ottman, 1998 reports that the consumers most receptive to environmentally-oriented marketing appeals are women; as mothers, they would be motivated to secure their children's futures.), with an age ranging from 21 to 45 years, were approached with a structured questionnaire.

### Data Analysis and Findings

The first part of the questionnaire contains HEP-NEP questions (Dunlap and van Liere, 1978) to measure general environmental beliefs with the possible responses of strongly agree, agree, slightly agree, disagree and strongly disagree

**Table 1.** General Environmental Beliefs

General Environmental Beliefs	Mean	Standard Deviation	Coefficient of Variation
Our population size is growing to the limit of the number of people the earth can bear.	2.34	0.92	39.20
The equilibrium of nature is very delicate and easily gets upset.	3.18	0.70	21.89
Humans have the right to modify the natural environment to suit their needs	3.21	0.83	25.61
When humans interfere with nature it often has disastrous consequences	2.86	0.98	34.09
Mankind created to rule over the nature.	2.84	0.92	31.95
Plants and animals exist primarily to be used by humans.	3.41	0.60	17.30
To maintain a healthy economy, we will have to control industrial growth	3.26	0.64	19.33
Humans must live in harmony with nature in order to survive.	3.36	0.79	23.30
Mankind is severely abusing the environment.	3.29	0.65	19.60

Source: Primary Data

Table 1 explains out of nine propositions on Consumer General Environmental Beliefs, 6 propositions mean score is 3 or above on Likert-5 point scale for propositions 2,3,6,7,8 and 9 which means most of the respondents are having strongly agreed for these propositions and same is supported by relatively less SD and lower values of CV. For the Propositions 4, 5 and 9 respondents gave good mean score ranging from 2.34 to 2.86, which implies respondents more or less agreed on these propositions. For proposition 1 and 9 most of the respondents gave average mean score and they are slightly agreeing on these propositions the same is reflected in CV also. That means respondents have varied opinions on these propositions which is well supported by its SD.

The second part included questions about environmental behavior, with seven questions related to purchasing behavior. Green Gauge questions (Ottman, 1998), which segment green consumers by behaviors. The results were measured on a 5 point scale of never, situational, sometimes, frequently and always used as a benchmark for comparison of all other data in this study

**Table 2. Consumer Environmental Behaviour**

Environmental Questions	Behaviour	Mean	Standard Deviation (SD)	Coefficient of Variation (CV)
Use biodegradable products.		2.90	0.86	29.57
Avoid buying aerosol products.		2.85	0.90	31.53
Read labels to see if contents are environmentally safe.		2.75	0.75	27.30
Buy products made or packaged in recycled materials.		2.87	0.79	27.60
Buy products in packages that can be refilled.		2.80	0.75	26.95
Take your own bags to the supermarket.		2.45	1.00	40.76
Cut down on car use.		2.88	0.83	28.62

Table 2 shows that out of seven propositions on Consumer Environmental Behaviour Questions, all the propositions except 6th one are in the range of 2.75 to 2.90, that means all the respondents more or less agreed and 6th proposition respondents gave average mean score but this proposition the opinion of respondents varied a lot as SD is one with high C.V.

The third part of the questionnaire covered marketing issues related to attitudes towards green products, designed to explore topics identified in the consumer behavior and advertising industry opinion sections. Again, the HEP-NEP environmental questions were used to contextualize the responses to the consumer product questions. The suggested responses were: strongly agree, mildly agree, mildly disagree, and strongly disagree. Respondents were also asked to name any green product types that they had experience of using

**Table 3. Consumer purchase Behaviour**

Consumer Product Questions	Mean	Standard Deviation (SD)	Coefficient of Variation (CV)
I feel good about buying brands which are less damaging to the environment.	3.15	0.73	23.25
It is easy for me to identify these products.	3.18	0.85	26.81
Green products are inferior in performance to non-green products.	2.72	0.94	34.62
I have formed this opinion because people I know and trust told me so.	2.83	0.81	28.45
I have formed this opinion because of my own recent experience of a product.	3.18	0.68	21.24
I trust well-known brands to make products which work.	3.45	0.70	20.27
In the marketing communication about a product, I expect to be informed of new improved	2.68	0.89	33.26

Formulas/design.			
In the marketing communication about a product, I expect to be informed of how environmentally friendly a product is.	2.07	1.04	50.29
Green products are marketed to me in a way which I never notice.	3.08	0.72	23.35
Green products are marketed to me in a way which I find really engaging and relevant to my lifestyle.	2.23	1.06	47.62

Table 3 explained that out of 10 propositions on Consumer Product Questions, 5 propositions mean score is 3 or above on Likert-5 point scale for propositions 1, 2, 5, 6 and 9 which means most of the respondents have strongly agreed for these propositions and same is supported by relatively less SD and less C.V.

For the propositions 3, 4 and 7 respondents gave above average mean score which means they all agreed on these propositions and for remaining 8 and 10th propositions respondents gave poor score and on these two propositions respondents' opinion varies a lot which is clear from these proposition SDs and C.Vs respectively

### FINDINGS

**Consumer Beliefs, Attitude towards Environmentally Friendly Products:** No one strongly disagree, where three-fourth of the respondents strongly agree that they would choose eco-friendly brands. Respondents reacted positively about buying brands which are less damaging to environment (80 per cent). However, the expectation of the customer is not away from the effective functioning of green brands as that of non-green products.

**Consumer Awareness:** Majority consumers expressed that identifying environmentally products on the shelves of the store is slightly difficult. When asked, majority of the respondents are unable to name a specific product or product type which are eco-friendly. This speaks about the consumer unawareness of green brands.

**Efforts of Marketing:** Marketing plays a pivotal role in bringing consumer awareness. As the response shows consumers would be more likely to choose environmentally friendly brands and were unable to recall green products/brands. This speaks about the gap in marketing effort put by the green marketers in bringing consumer awareness.

**Trust and Product Performance:** Survey reveals that the green product performance was significantly affected by environmental beliefs. Further, it is expressed by as large as of 88 per cent of the respondents that they are likely to trust well-known products and judge green products basing on their previous experience.

### CONCLUSION

Satisfaction showed a great influence among all of the factors that indicated that marketing managers should concern with the superior value of the eco-friendly products. Consumers have strong emphasis on the end-value of the products in order to repeat purchases. Satisfaction has impact on the attitude and purchase decision. The results of the satisfaction of the consumers would lead to increase in sales, market shares and brand loyalty. Many scholars agreed consumers are concerned on the satisfaction of the products and activities of the companies not harm to the environment

The product attributes in general have little influence on the attitudes and purchase intention of green products, which is surprising, but that could be due to the fact that some of the consumers buy eco-friendly products for the purpose of preserving the earth such as unselfish reasons. However, the product quality should not be overlooked since consumers relate price with quality when making purchasing decision, and consumers research not only green products claiming environmental values but also products with high quality, because consumers are not ready to make a compromise on quality just for the benefits green attributes and for the moment green products seem still have less quality than conventional ones as our findings and previous researches demonstrated it.

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