# Green Marketing & its Influence on Consumer Buying Behaviour

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**Abstract:** The increase in the environmental degradation and the awareness of the consumers on such matters has led to the massive adoption of green marketing strategies by the companies. Green Marketing in the process of producing and selling products and/ or services which causes less harm to the environment. Green marketing has moved from a trend to the way of doing business. This study aims to analyse the awareness and behaviour of the consumers regarding the environmental issues and the existence of environmentally friendly products. Further, the study also attempts to establish the relation between environmental awareness, green promotion, green value and green price against the consumer purchase behaviour and the moderator effect of demographic variables on the purchase behaviour. The analysis of the information of 134 respondents show that a large number of respondents from India are aware of the environmental awareness, green promotion, green value environmental awareness, green promotion, between environmental degradation but not the same know about the existence of green price with the purchase behaviour of the consumer. The demographic factors have a moderator effect on the purchase behaviour.

Keywords: Environmental awareness, Consumer purchase behaviour, Green marketing, Green products, Green price, Green value

#### 1. Introduction

The proliferation of the method of Globalisation worldwide has brought some problems along with it. The most evident and leading one among all the problems is the environmental pollution. The aforementioned environmental problems of global warming, ozone depletion, acid rain and many more has become the primary agenda of not only the environmentalists but also the corporates and consumers. Consumers now have worries about the future of the world and as a result they mostly prefer environmentally friendly products. The concept of sustainability is predominant in today's era and the need for sustainable business practices by corporations has been identified worldwide.

The environmental problems faced by India have been categorised into two classes by [1]: the old problems and new problems. The old problems include problems of water, sewage, waste disposal, and other forms of pollution related with poverty and infectious diseases. The latter category encompasses the problems caused by the structural transformation of the economy leading to industrial pollution, chemical usage in agriculture and large volumes of non - disposal wastes. In fact, India is presently running into many environmental problems such as growing rates of pollution, e wastes and health hazards. As a matter of fact, the green movement has been gaining immense popularity all around the globe. People are actively trying to reduce the impact of their actions on the environment. This also represents one of the main reasons for the development of green marketing. The increasing awareness of the consumers continues to drive change in the marketplace encouraging the introduction of more eco - friendly products. Green marketing is recognized as the way of doing business and not a trend any longer.

In comparison to the consumers in developed countries, the Indian consumers have much less awareness of the environmentally friendly products. But today, green is gradually becoming the symbolic colour of eco-consciousness in India. The growing awareness amongst the consumers about the origin of the products and concern over impending environmental crisis have increased the opportunities of the marketers as well. Many firms have started introducing Green Product Innovations (GPIs) into their product development. On the other hand, marketing has also been criticised for contributing to the environmental degradation by emphasising on consumption, consequently contributing to a throwaway society and focusing on satisfying short term consumer or customer wants. But marketing can also be seen as a significant instrument in order to sell new lifestyles and alter the overall consumption habits, not only of the ecologically concerned consumer. The studies in numerous countries suggest that ecologically aware and alert consumers act like a stimulant in assuaging environmental problems. Since consumers themselves are major contributors to environmental degradation and pollution, any responsible move on their part will aid in mitigating the issues. In the current scenario, the increasing concern has led to a demand for green or environment friendly products acting as a pressure point on businesses to develop the same. So, if the market for environmentally friendly products becomes the mainstream, it is imperative to look into

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factors influencing the consumer buying decision process.

This study aims to analyse the awareness and attitude of the consumers regarding the environmental issues and the existence of green products or environmentally friendly products. Further, the study also attempts to establish the relation between environmental awareness, green promotion, green value and green price against the consumer purchase behaviour of green products and how the demographic factors play the role of a moderator.

### 2. Literature Review

The term Green marketing also called Environmental or Sustainable marketing was originated in the year 1975 in a seminar on 'Ecological Marketing' held by the American Marketing Association (AMA). The AMA defined Green marketing as a development and marketing of products which are environmentally safe and responsive to ecological concern in all terms. Green Marketing today has adopted a holistic approach, focusing not only on reducing environmental degradation but also working towards sustainability [2]. Bahadur [3] said that what laid the basis for the advent of green marketing is the awareness of degradation of the environment. This increase in the level of awareness in the consumers created a sense of responsibility towards the environment and they started to prefer the environment conscious business [4]. This rising concern among the consumers compelled the companies to manufacture products and services which causes less damage to the environment.

The companies adopting green policy had a competitive advantage over its competitors but what was of primary concern to the marketers was to build a level of confidence in the consumers. Their success depended on the buyers believing that the environmental damage are real issues and their purchase decisions will make a difference [2]. The people who exhibit environment friendly behaviour in their purchase pattern are known as green consumers. They are the one who are more inclined to purchasing green products or environmentally friendly products. Green marketing highly depends upon the consumer's attitude towards the environment and formation of attitude is found to be dependent on the development of values [5]. Hence,

the environmental values play a very important role in the pro environmental behaviour. In order to measure the green value of a consumer, a green consumer value scale was developed by Kelly L. Haws. The green consumer value scale consists of six item measures that they call the 'Green Scale'. The green scale was useful in predicting the consumer's preference for environmentally friendly products and how a consumer's value affects his or her response to environment-based marketing actions [6].

The point that is ambiguous to the marketers is that though the consumers possess a high level of concern for the environment, their purchase pattern of green products do not say so. An individual may be aware of all the environmental issues but does not necessarily behave in a green way. This is described as the value action gap [7]. Therefore, the marketers should focus on increasing the awareness level of the consumer for green products and its positive impact to the environment. The companies must pay more attention to promotional activities particularly by developing contents [8].

### 3. Statement of Problem

Much of the importance and attention given to Green Marketing these days is due to an accelerated rate of environmental degradation in the form of pollution, ozone layer depletion and issue of waste disposal etc. Company strategies are largely moving towards calling them 'green' partly due to government laws and party, the shift in the preference of the consumers worldwide. However, claiming to be a green company requires investments for modification of the process, technological advancement, innovative approach, better communication for the benefit of the customers and many more. In developing countries like India not much research has been conducted with respect to green marketing and there lies the problem of awareness amongst the consumers of areen products. The consumer's attitude towards such environment friendly products and how it influences their behaviour in terms of purchase intentions or decisions remain doubtful. Hence, it is also vital for the marketers to know the factors which have a major influence in the buying pattern of the consumers.

### 4. Research Hypothesis

**H1:** The environmental awareness of the consumers shares a significant and positive relationship with the purchase behaviour of green products.

**H2:** The green promotion is significantly and positively related with the purchase behaviour of green products.

**H3:** The green value has a positive and significant relationship with the purchase behaviour of green products.

**H4:** The green price is negatively related to the purchase behaviour of green products.

**H5:** The demographic factors (i.e. gender, age, educational qualifications and marital status) have a moderator effect on the model.

#### 5. Research Methodology

The current research adopts a purely quantitative strategy which is descriptive in nature. On the basis of the studies conducted in the past and the understanding of the subject, a well - structured questionnaire was prepared to collect data on the awareness and behaviour of the respondents towards green products. The guestionnaire consisted of both open-ended and closed-ended questions to elicit desired information from 134 respondents. A five-point Likert scale ranging from 1 (strongly agree) to 5 (strongly disagree) was used for obtaining the responses. In order to ensure the validity of the content, the green consumer value scale developed by Kelly L. haws was used. The green consumer value scale consists of six item measures that they call the 'Green Scale' which is used in predicting the consumer's preference for environmentally friendly products.

**Primary Data:** The draft questionnaire was initially given to 10 respondents for pretesting and to identify if there is any ambiguity in the terms used and their meanings. Once a high level of content validity was found it was circulated amongst the convenience sample of 134 respondents in India during the period of January 2020 to April 2020.

**Secondary Data:** For the purpose of laying out a clear direction to the empirical research, secondary data were collected through newspapers,

magazines, journals, books, government reports, websites and conference proceedings.

The reliability of the data was computed using Cronbach's Reliability Coefficient and the reliability value 0.873 (i.e. > 0.70) was obtained. The analysis was conducted using appropriate statistical tools like the Correlation Analysis and Regression Analysis.

The table 1 shows the demographic profile of 134 respondents who participated in the research. The demographic factors under study includes gender, age, educational qualification and marital status. The data is centred towards the individuals who have completed either Under Graduation or Post Graduation degree and have a marital status of being single, married or married with children.

Table 1: Demographic P	Profile of Respondents
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		Marital Status										
Gender	Age Group	Sir	ıgle	Mai	rried	Marrie Chil	Grand Total					
		UG	PG	UG	PG	UG	PG					
Male	Less Than 25	21	13	0	0	0	0	34				
	25 - 30	7	6	1	1	0	0	15				
	31 - 35	0	0	1	2	1	1	5				
	36 - 40	1	0	1	0	1	2	5				
	More Than 40	0	0	3	1	4	6	14				
Female	Less Than 25	14	7	2	0	0	0	23				
	25 - 30	4	5	2	4	0	2	17				
	31 - 35	0	0	0	2	5	3	10				
	36 - 40	0	0	1	0	0	1	2				
	More Than 40	0	0	1	0	5	3	9				
G	rand Total	47	31	12	10	16	18	134				

#### 6. Result and Discussion

The data clearly shows that though a high percentage of the respondents have a great deal of knowledge about the environmental issues but not the same number are aware of the presence of environmentally friendly products. With reference to figure 1, 75% of the respondents are aware of the green products but the remaining 25% seems to be ignorant about it.



Figure 1: Awareness of the Respondents regarding Green Products

# 6.10 Green Marketing and Consumer Purchase Behaviour of Green Products

		Environmental	Green	Green	Green	Green Purchase
Environmental	Pearson	Awareness 1	Promotion .143	Attitude .226*	Price .223*	Behaviour .247*
Awareness	Correlation					
	Sig. (2-tailed)		.156	.024	.026	.013
	N	100	100	100	100	100
Green Promotion	Pearson Correlation	.143	1	.584**	.359**	.505**
	Sig. (2-tailed)	.156		.000	.000	.000
	N	100	100	100	100	100
Green Attitude	Pearson Correlation	.226*	.584**	1	.392**	.667**
	Sig. (2-tailed)	.024	.000		.000	.000
	N	100	100	100	100	100
Green Price	Pearson Correlation	.223*	.359**	.392**	1	.637**
	Sig. (2-tailed)	.026	.000	.000		.000
	N	100	100	100	100	100
Green Purchase Behaviour	Pearson Correlation	.247*	.505**	.667**	.637**	1
	Sig. (2-tailed)	.013	.000	.000	.000	
	Ν	100	100	100	100	100

Table No. 2: Correlation Analysis of Green Marketing & Purchase Behaviour of Green Products.

\*Correlation is significant at the 0.05 level (2-tailed) \*\*Correlation is significant at the 0.01 level (2-tailed)

The result of the correlation analysis of environmental awareness, green promotion, green value and green price against the consumer purchase behaviour is described below:

**H1:** The hypothesis H1 is accepted as the environmental awareness is positively and significantly related to the consumer purchase behaviour. The value of correlation is r = 0.246 at the significance of p = 0.013 < 0.05.

**H2:** The hypothesis H2 is accepted as the green promotion is positively and significantly related to the consumer purchase behaviour. The value of correlation is r = 0.505 at the significance of p = 0.000 < 0.05.

H3: The hypothesis H3 is accepted as the green value is positively and significantly related to the

consumer purchase behaviour. The value of correlation is r = 0.667 at the significance of p = 0.000 < 0.05.

**H4:** The hypothesis H4 fails to get accepted as the green price is positively and significantly related to the consumer purchase behaviour with the correlation value of r = 0.637 at the significance of p = 0.000 < 0.05.

Therefore, from the correlation analysis it is clear that as the environmental awareness, promotional activities of green products, green value of the consumers and the price of green products increases, the consumer purchase behaviour increases as well. Hence, hypothesis H1, H2 and H3 was accepted while H4 was rejected.

# 6.20 Demographic Factors and Consumer Purchase Behaviour of Green Products

# 6.2.1 Influence of Gender on Consumer Purchase Behaviour of Green Products

The regression analysis conducted to demonstrate the moderator effect of gender on the consumer purchase behaviour revealed the following results:

Table 3: Moderator Analysis of Gender between Green
Marketing & Purchase Behaviour

Domograph	Demographic Factors		mental Av	areness	Green Promotion			Green Attitude			Green Price		
Demograph	ic I actors	F	P<0.05	Std. Error	F	P<0.05	Std. Error	F	P<0.05	Std. Error	F	P<0.05	Std. Error
	Male	7.049	0.011	0.167	38.689	0.000	0.100	48.924	0.000	0.090	46.853	0.000	0.116
Gender	Female	1.159	0.287	0.166	4.646	0.037	0.139	27.526	0.000	0.124	23.635	0.000	0.115

Male consumers obtained F = 26.355 at p = 0.000 indicating a significant interaction.

Female consumers obtained F = 13.557 at p = 0.000 indicating significant interaction.

The table 3 shows that the purchase behaviour of male consumers is influenced by environmental awareness, green promotion, green value and green price whereas female consumer's purchase behaviour is influenced by green price and green value. Hence, this significant interaction is equivalent to saying that the gender has a moderator effect in the model.

# 6.2.2 Influence of Age on Consumer Purchase Behaviour of Green Products

The regression analysis conducted to demonstrate the moderator effect of age on the consumer purchase behaviour revealed the following results:

Table 4: Moderator Analysis of Age Group between Green Marketing & Purchase Behaviour

Demo	graphic	Enviro	nmental Aw	areness	Gr	een Promotie	Green Attitude			Green Price			
Fa	ctors	F	P<0.05	Std. Error	F	P<0.05	Std. Error	F	P<0.05	Std. Error	F	P<0.05	Std. Error
	Less Than 25	1.736	0.195	0.181	18.118	0.000	0.113	44.965	0.000	0.092	11.983	0.001	0.142
	25 - 30	1.790	0.194	0.232	7.999	0.010	0.164	22.856	0.000	0.189	20.899	0.000	0.200
Age Group	31 - 35	0.000	0.994	0.394	0.082	0.782	0.298	0.782	0.402	0.436	7.800	0.023	0.243
	36 - 40	0.001	0.976	0.592	0.027	0.879	0.613	0.652	0.478	0.448	10.667	0.047	0.152
	More Than 40	6.350	0.024	0.263	5.263	0.037	0.411	11.827	0.004	0.184	28.74	0.000	0.127

Consumers of less than 25 age group obtained F = 13.274 at p = 0.000 indicating a significant interaction.

Consumers of 25 - 30 age group obtained F = 10.495 at p = 0.000 indicating a significant interaction.

Consumers of 31 - 35 age group obtained F = 1.891 at p = 0.250 indicating an insignificant interaction.

Consumers of 36 - 40 age group obtained F = 1.006 at p = 0.470 indicating an insignificant interaction.

Consumers of more than 40 age group obtained F = 23.497 at p = 0.000 indicating a significant interaction.

The table 4 shows that the purchase behaviour of consumers of age group less than 25 and 25 - 30 is influenced by green promotion, green value and green price whereas for age group 31 - 35 and 36 - 40 green price only plays a major role. The purchase behaviour of consumers of age group more than 40 is seen being influenced by environmental awareness, green value and green price. Hence, this significant interaction is equivalent to saying that the age group has a moderator effect in the model.

### 6.2.3 Influence of Educational Qualification on Consumer Purchase Behaviour of Green Products

The regression analysis conducted to demonstrate the moderator effect of educational qualification on the consumer purchase behaviour revealed the following results:

Table 5: Moderator Analysis of Educational Qualification between Green Marketing & Purchase Behaviour

Demographic Factors		Environmental Awareness			Green Promotion			Green Attitude			Green Price		
Demograj	phic Factors	F	P<0.05	Std. Error	F	P<0.05	Std. Error	F	P<0.05	Std. Error	F	P<0.05	Std. Error
Educational	Undergraduate	2.870	0.096	0.158	14.712	0.000	0.127	50.247	0.000	0.101	86.429	0.000	0.099
Qualification	Postgraduate	3.904	0.054	0.18	18.443	0.000	0.112	35.729	0.000	0.103	14.538	0.000	0.125

Undergraduate consumers obtained F = 37.271 at p = 0.000 indicating a significant interaction.

Postgraduate consumers obtained F = 13.312 at p = 0.000 indicating significant interaction.

The table 5 shows that the purchase behaviour of Undergraduate and Postgraduate consumers is influenced by green promotion, green value and green price. Hence, this significant interaction is equivalent to saying that the educational qualification has a moderator effect in the model.

# 6.2.4 Influence of Marital Status on Consumer Purchase Behaviour of Green Products

The regression analysis conducted to demonstrate the moderator effect of marital status on the consumer purchase behaviour revealed the following results:

Table 6: Moderator Analysis of Marital Status between Green Marketing & Purchase Behaviour

			Awareness			Green Promotion			Green Attitude			Green Price		
Demogra	aphic Factors	F	P<0.05	Std. Error	F	P<0.05	Std. Error	F	P<0.05	Std. Error	F	P<0.05	Std. Error	
	Single	4.214	0.045	0.145	27.824	0.000	0.096	69.083	0.000	0.079	19.269	0.000	0.129	
Marital	Married	0.412	0.534	0.318	0.311	0.588	0.282	1.906	0.195	0.266	10.088	0.009	0.222	
Status	Married with Children	9.158	0.006	0.202	2.384	0.135	0.212	7.503	0.011	0.187	55.954	0.000	0.093	

Unmarried or single consumers obtained F = 20.805 at p = 0.000 indicating a significant interaction.

Married consumers obtained F = 2.683 at p = 0.110 indicating insignificant interaction.

Married consumers with children obtained F = 25.136 at p = 0.000 indicating significant interaction.

The table 6 shows that the purchase behaviour of Unmarried consumers is influenced by green promotion, green value and green price whereas the married consumer's purchase behaviour is only influenced by the green price. The purchase behaviour of married consumers with children is seen being influenced by environmental awareness, green value and green price. Hence, this significant interaction is equivalent to saying that the educational qualification has a moderator effect in the model.

Therefore, the hypothesis H5 i.e. the demographic factors which includes gender, age, educational qualifications and marital status have a moderator effect on the model is accepted. These moderator variables affect the strength and/ or direction of

relationship between the independent or predictor variable (environmental awareness, green promotion, green value and green price) and dependent or criterion variable (purchase behaviour). It can be both categorical or quantitative.

### 7. Conclusion

Green Marketing involves a mutual advantage, not only are the companies benefiting from it but it also has several positive aspects in it for the people consuming it. With an increase in the awareness of regarding the consumers the accelerated degradation of the environment and a strong urge to prevent its further damage, a shift in their lifestyle has been observed. The ecologically aware and conscious consumers develop a pro-environmental behaviour i.e. a behaviour which consciously seeks to minimise the impact of one's action on the natural and built world [9]. The results computed from the study clearly shows that the respondents are highly aware of the environment problems and the causes attributed to it. But the question arises when we try finding the awareness of the people about the remedial measures. Green Product is one of the preventives means to this issue. But, a significant number of respondents claim to have never heard of the availability of such products. Another issue to be discussed is the 'value action gap'. Though the consumers have all the knowledge they require to switch to greener products, they fail to do so. A consumer might exhibit a pro-environmental attitude but not a pro-environmental behaviour In India, consumers are not aware of the existence of such environmentally friendly products. People also find green products to be less effective than their traditional counterparts. Therefore, this lays it imperative for the marketers to improve their promotional activities and awareness programs either by educating the mass of its benefits or making them an active part of such programs. Green marketing is at its infancy stage in India and requires more research to be conducted to popularise it among both the rural and urban consumers.

### 8. Future Scope of Study

It has been evident from the literature review that not much work has been carried out on green marketing concepts. Hence, it lacks empirically supported data. Green marketing is not just about manufacturing a product which is environment friendly but has a wider view. The industries in India are growing at a tremendous rate and the customers

are also gradually switching their demands for environmentally friendly products or the green products because of their concern for the environment. Focusing on getting a 'green profile' for the company has become more important than ever. The ecologically aware consumers prefer greener products more than its traditional counterparts if available in the required category. Therefore, the information on the level of awareness amongst the consumers regarding the rising environmental issues and the existence of remedial measures is important. Once the factors which majorly affect their intentions to purchase the green products are clearly understood, the marketers can focus their communication strategies in accordance to what would persuade the consumers to carry out the purchase and carry out further research.

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#### Appendix

#### **Research Methodology**

The study being quantitative in nature adopts a method of structured questionnaire to gather relevant information from the individuals called respondents. Questionnaire is one of the most efficient research methods as it involves collecting a wide range of information form a large pool of respondents. The survey questions were circulated by electronic means (i.e. email) as it covered dispersed group of individuals. In order to ensure that the questionnaire is capturing the intended information, a pilot survey was conducted amongst 10 respondents. Only once the validity of the content was obtained, it was circulated to the rest of the 134 respondents.

The data collected was analysed using various statistical tools including Cornbach's Reliability Coefficient, Correlations Analysis and Moderator Analysis in SPSS 20 Package.

**Cornbach's Reliability Coefficient:** Cronbach's alpha was computed to check the reliability of the data. Reliability refers to the extent to which the scale used in the questionnaire produces consistent results. In simple words, reliability tells how well the test measure the variable of interest.

The general thumb rule for the results is as shown in table below:

The Cronbach's Reliability Coefficient was obtained to 0.873, indicating the internal consistency of the data to be 'Good'. Hence, the data measures the construct intended.

Cronbach's Alpha	Internal Consistency
<i>α</i> ≥ 0.90	Excellent
$0.90 > \alpha \ge 0.80$	Good
$0.80 > \alpha \geq 0.70$	Acceptable
$0.70 > \alpha \ge 0.60$	Questionable
$0.60 > \alpha \ge 0.50$	Poor
0.50 > α	Unacceptable

**Correlations Analysis:** Correlation analysis measures the association or the absence of relationship between two variables. A high value of

correlation would suggest a strong relation between the two variables and vice versa. The correlation coefficient varies from +1 to -1, where 0 indicates the absence of relation. The correlation must be significant at p < 0.05 or 0.01 for the value to be considered.

In the study, while trying to understand the influence of environmental awareness, green promotion, green value and green price on the purchase behaviour of the consumer, correlation analysis was used. The value of the analysis indicated how significant or insignificant is the role of any of the above factors on impacting the consumer purchase intentions. A higher value of correlation indicated that there is a significant relation between the two variables and the changes in one of them will definitely impact the other.

Moderator Analysis: Moderator analysis, also called the Moderated multiple regression is is used to examine whether the relationship between two variables i.e. dependent and independent variable depends on the value of the third variable or the moderator variable. The moderator variable is a categorical or quantitative variable that affects the direction and / or the strength of the relation between the dependent or criterion variable and independent or predictor variable. It is another predictor variable hence multiple regression analysis is run to determine the predictor variable. The study assumes the demographic factors (i.e. age, gender, educational qualification and marital status) to have a moderator effect on the consumer purchase behaviour. The independent variables include environmental awareness, green promotion, green value and green price and the dependent is the purchase behaviour of the consumer. Therefore, the moderator variable is a third variable that affect the correlation between two other variables. They either amplify or weaken the relation between them.