



# IMPACT OF GREEN MARKETING ON CONSUMERS' BUYING BEHAVIOUR

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Article DOI: <https://doi.org/10.36713/epra26560>

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## ABSTRACT

*Green marketing is the marketing of environmentally friendly products. It has become an essential aspect of business strategies as consumers increasingly prioritize environmental sustainability. Studies on consumer behaviour in green marketing focus on understanding how eco-friendly practices influence purchasing decisions. It involves creating an eco-friendly product, using eco-friendly packaging, adopting sustainable business practices or anything that protects mother earth and reduce global warming by protecting natural resources. This concern has led more companies to advertise their commitment to reducing their climate impacts, and the effect this is having on their products and services. The purpose of this review is to throw light on green marketing concept, understanding the impact of buying behaviour, brands which have implemented the strategy, misconception, and Future outlook.*

**KEYWORDS:** *Green Marketing Mix, Marketing Practices, Purchasing Behaviour, Greenwashing*

## INTRODUCTION TO MARKETING

Marketing is the process of attracting potential clients or customers interested in your products and services. It encompasses various aspects beyond just selling or advertising. Marketing involves Understanding customer needs and preferences, identifying target audiences, creating awareness through advertising and communication, ensuring products reach consumers, enhancing satisfaction and loyalty. Marketing is the act of satisfying and retaining customers. It's one of the primary components of business management and commerce. Marketing involves promoting and selling products or services to consumers. This can be done directly to consumers (B2C) or to other businesses (B2B). The key components of marketing include market research, branding, customer service, and product development. Remember, marketing isn't just about selling—it's about understanding your target audience's needs and creating value for them through relevant content and experiences. Marketing is typically conducted by the seller, whether a retailer or manufacturer.

### Definition of Marketing

The American Association of Marketing defines marketing as “the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large”

### 4p's Of Marketing

- Product: Designing offerings to meet audience needs.
- Price: Determining the right cost.
- Place: Choosing distribution channels.
- Promotion: Communicating benefits and features.

### Meaning of Green Marketing

Green marketing refers to the practice of developing and advertising products based on their real or perceived environmental sustainability<sup>1</sup>. It involves incorporating sustainability principles into various aspects of marketing, such as product design, packaging, messaging, and promotion. Some green marketing strategies include:

- Creating eco-friendly products.
- Using eco-friendly product packaging made from recycled materials.
- Reducing greenhouse gas emissions from production processes.
- Adopting sustainable business practices.
- Marketing efforts that communicate a product's environmental benefits.
- Investing profits in renewable energy or carbon offset efforts.

The rise of green marketing is driven by a growing market segment of consumers who prefer to purchase green products, even if they are more expensive. These consumers are known as the Lifestyles of Health and Sustainability (LOHAS) demographic. They prioritize sustainability and environmental responsibility when choosing brands. As environmental awareness increases, green marketing becomes more popular, emphasizing responsible consumption and positive impacts on the planet.



### Green Marketing Mix

Green marketing incorporates environmental sustainability into the traditional marketing mix. Let's break it down:

- **Product:** Green marketing focuses on creating eco-friendly products. This includes using natural, recycled, or renewable materials and minimizing environmental impact during production and disposal.
- **Price:** Pricing strategies consider sustainability. Some green products may be priced higher due to their eco-friendly features, but consumers increasingly value these choices.
- **Place:** Distribution channels matter. Green marketing ensures products reach consumers through sustainable channels, minimizing transportation emissions.
- **Promotion:** Communicating a product's environmental benefits is crucial. Brands emphasize eco-friendliness in their messaging and advertising.
- **Personnel:** Involve employees in sustainability initiatives. Educate and engage staff to align with the company's green goals.
- **Physical Evidence:** Showcase sustainability through packaging, labelling, and store design. Use eco-friendly materials and design elements that reflect your commitment to the environment.
- **Processes:** Optimize supply chain processes for sustainability. Consider energy-efficient manufacturing, waste reduction, and responsible sourcing.

### Research Objectives

- To understand consumers' green marketing awareness.
- To Investigate consumers' attitudes towards green products.
- To Research the green product buying behaviours of consumers.
- To Understand consumer's misconception towards green marketing.

### Research Methodology and Data Collection

- The present study is exploratory in nature.
- The primary data was collected through circulation of questionnaire to respondents.
- The secondary data were collected through books, journals, magazines, and websites.
- The questionnaire contained questions related to the purchase decision of consumers affected by green marketing activities of the company, repurchase decision is affected or not, paying premium price, etc which was suitable to the objectives of the study.

### Sample size

A random sample of 50 responses were taken from working people of Bangalore location. Sample is taken from working population because to study the connect between income and paying premium price for eco-friendly products.

### Tools for Data Analysis

Analysis of data collected through the circulated questionnaire is done through simple percentage method which is suitable to this study. Simple percentage method is also easy to understand.

To determine the percentage, we must divide the value by the total value and then multiply the resultant by 100.

**Percentage Formula = (Value/Total value) × 100**

Formula according to the study

**Percentage = Number of respondents / Total number of respondents x 100**

### Limitations of the study

1. There may be mistake due to the understanding of the responders; therefore, results may be varied.
2. In comparison to the number of the actual population, the sample size chosen is very small and this may affect the results.
3. This topic is chosen to create awareness and not to hurt anyone's feelings or purchase behaviour

## DATA ANALYSIS AND FINDINGS

### Demographic Profile

Particulars	Demographic data	Frequency	Percentage
Gender	Male	18	36%
	Female	32	64%
Income category of respondents	Less than 3,00,000 per annum	29	58%
	3,00,000 to 5,00,000 per annum	10	20%
	More than 5,00,000 per annum	11	22%
Awareness on eco-friendly products	Yes	49	98%
	No	1	2%



**Components taken for the study**

1. Income – Income component is considered to study on the purchase behaviour in comparison with the income of the respondents.
2. Awareness – Factor considered to know how many respondents are aware of green products.
3. Number of products – To study based on the awareness as how many eco-friendly products are known to the sample data chosen.
4. Importance of green label – Understand how important green labelling is to decide on purchase of the product by the consumer.
5. Recommendations – 5-point rating scale was added to the questionnaire to know how likely the consumers and willing to recommend green products.

**Questionnaire Circulated to respondents is as follows**

Name

Age

Gender

Qualification

Income category - Less than 3,00,000 per annum, 3,00,000 to 5,00,000 per annum, more than 5,00,000 per annum

Are you aware of the environmental impact of the products that you purchase? – Yes/No

Are you aware of eco-friendly products? Yes/No

What factors influence you to buy eco-friendly products? – Environmental concern, Quality, No adulteration, Trial purpose

How often you purchase environment friendly products? – Weekly once, Monthly Once, Very rare, No specific pattern

Where do you usually get information about these products? – Social media, Friends/Family, Pamphlets, While shopping

Would you like to purchase a product if it had only label of “ECO, GREEN, ETC”? – Yes, no, May be

Are you willing to Pay premium/higher price for Eco-friendly products? Yes/No

To Pay premium price, what factor is required? – Label, Quality, Brand, Ambassador

How many variants of eco-friendly products you are aware of? (Example – Food varieties, Clothing, etc.) – 1, 3, 5, More than 5

Name them!

What eco-friendly products have you bought?

What is your feedback?

Did you pay premium price? – Yes/No

Did your purchase behaviour change after experiencing eco-friendly products? - Yes/No

If yes, what change?

Will you recommend green products to your friends/family? - Yes/No

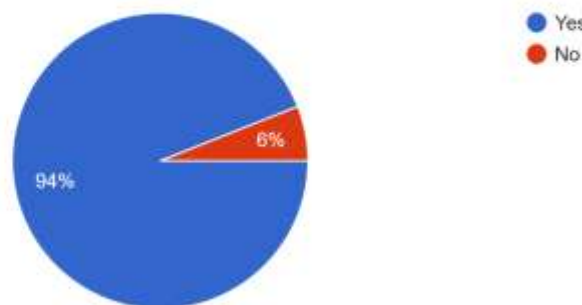
How likely would you recommend? -What improvement would you like to see in green marketing in future? - 1 to 5

**FINDING**

1. Awareness of products availability – 94% of the respondents knew about the environmental impact of the products that they purchase. 98% of the sample people knew about green products through green marketing.

Are you aware of the environmental impact of the products that you purchase?

50 responses





Are you aware of eco-friendly products?

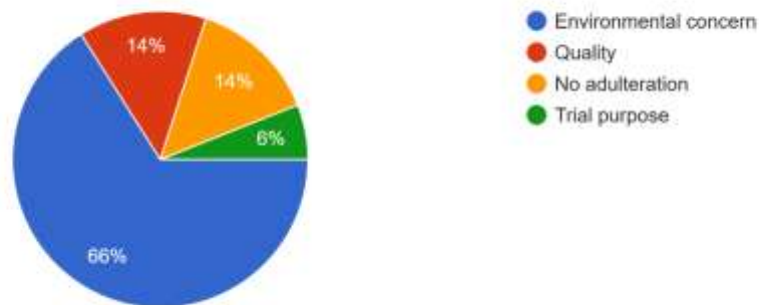
50 responses



2. Factors to buy eco-friendly products- About 66% of the respondents bought or willing to buy eco-friendly products for the purpose to save nature and mother earth. 14% of the respondents buy for quality product and eat unadulterated food products.

What factors influence you to buy eco-friendly products?

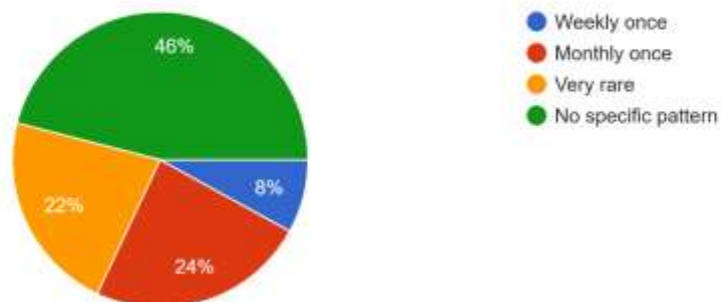
50 responses



3. Purchase behaviour – Highest percentage of 46% stand for no specific buying pattern. 24% buy eco-friendly products monthly once.

How often you purchase environment friendly products?

50 responses

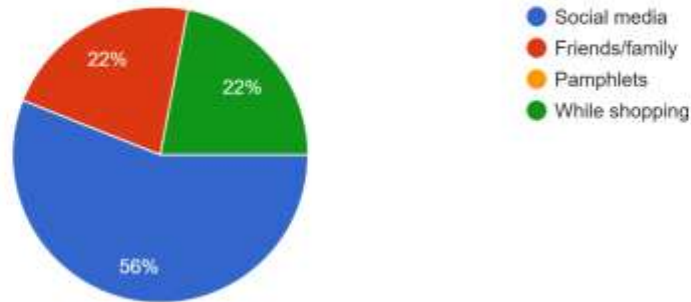




4. Information source – 56% corresponds to gaining information about green products through social media platforms. Secondly through friends and while shopping 22% each.

Where do you usually get information about these products?

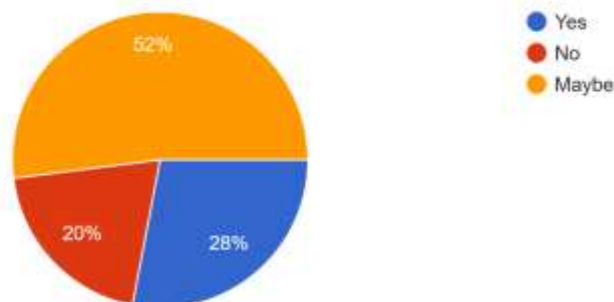
50 responses



5. Importance of **GREEN** label – 50% of the responses did not give much importance to label of the products as green products.

Would you like to purchase a product if it had only label of "ECO, GREEN, ETC"?

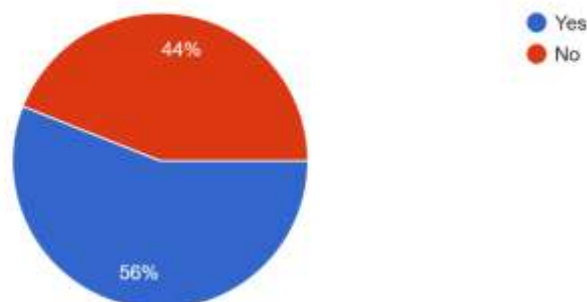
50 responses



6. Ready to pay Premium Price – 56% of the sample population are ready to pay premium price for eco-friendly products.

Are you willing to Pay premium/higher price for Eco-friendly products?

50 responses

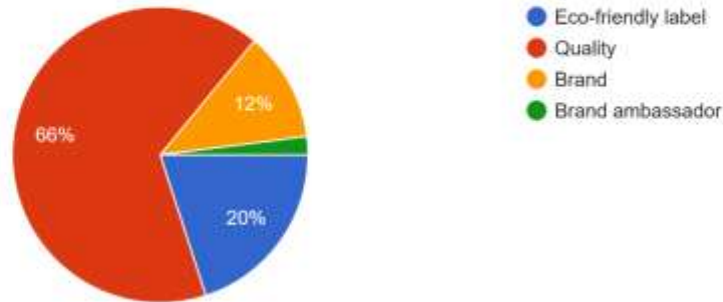




7. Expectation – For the premium price to be paid, people are expecting quality products which would be worth for the penny spent.

To Pay premium price, what factor is required?

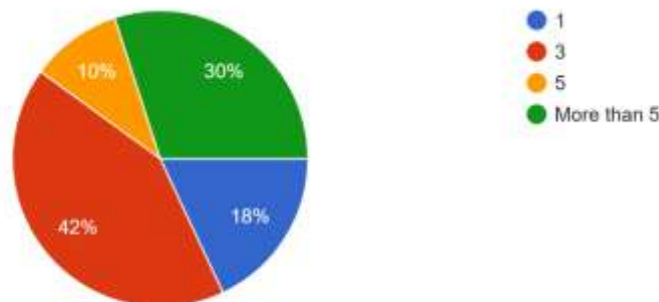
50 responses



8. Variants – 42% knew 3 eco-friendly products existing in the market. 30% knew more than 5 varieties.

How many variants of eco-friendly products you are aware of? (Example – Food varieties, Clothing, etc.)

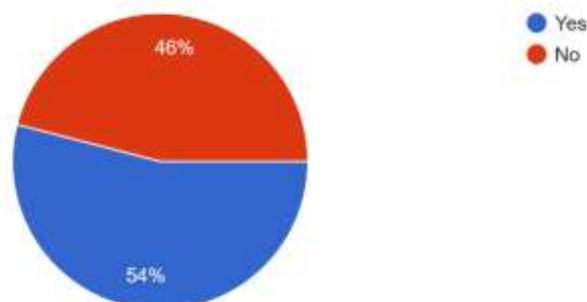
50 responses



9. Products – Variety of products like Crackers, Bamboo products, Electric vehicles, LED bulbs, carry bags were few to mention.
10. Paid premium price – 54% of the people paid premium price for their purchase of eco-friendly products.

Did you pay premium price?

50 responses

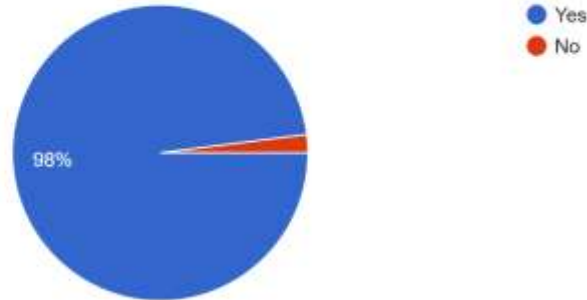




11. Recommendation to others – Maximum of 98% of the respondents are willing to recommend the products to their first circle of friends and family.

Will you recommend green products to your friends/family?

50 responses



12. Suggestions by respondents – Most of the suggestions given were to increase the number of variants of products available to purchase and to reduce price of the products.

### Companies and brands

Few companies which have adopted eco-friendly products manufacturing as environmental concerned citizens are as follows:

1. Mama earth: Known for recycling and reducing plastic usage, and planting mangroves and trees.
2. Nike – Known American footwear manufacturing company, eco-conscious efforts is their "Move to Zero" initiative, a bold response to climate challenges. This commitment involves phasing out single-use plastics on all Nike campuses.
3. Apple - Apple has launched several wind and solar farms. These green powerhouses energetically fuel their data centres, retail stores, and corporate offices.
4. IKEA - This Swedish ready-to-install furniture manufacturing company responsibly sources nearly half of its wood from sustainably managed forests and ensures all its cotton meets the rigorous Better Cotton standards.
5. Honda – known motorcycle and scooter manufacturing company manufactured and released Vida, an electric vehicle as part of environmental concern.
6. International Business Machines – Computer Services In 2017, purchased 22.9% of its electricity from renewable sources, exceeding its 2020 goal of 20% by 2020, and well on its way to the company's 2025 goal of 55%.
7. Microsoft - Microsoft is upping with its environmental goals, aiming to be carbon negative by 2030 by Taking responsibility for their carbon footprint, Investing in carbon reduction and removal technology.

### CONCLUSION

From the study it is analysed that most of the respondents have paid premium price for eco-friendly products. So, this created a sense of greenwashing concept in minds of people that eco-friendly products are premium priced. The buying behaviour has not increased to regular purchase of green products because of the premium pricing of the products with label of **ECO AND GREEN** and marketing practices that companies follow to fix high price for the products that they manufacture.

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