

A Critical Analysis on the Influence of Green marketing on the behavior of Consumer



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Abstract

Climate change, pollution, and global warming are just a few of the issues that have gained international attention. Green marketing has emerged as a result of firms adjusting their behaviour in response to environmental degradation. The majority of the study on green marketing and consumer behaviour has been done in industrialised nations. However, there is a glaring lack of information about South African customers. The purpose of this paper is to investigate, on a preliminary level, the impact of green marketing on consumer behaviour in South Africa. On a sample of 100 customers, a quantitative, exploratory, and descriptive survey was carried out. According to the findings, South Africans are highly knowledgeable about environmental issues. Green promotion in particular has been demonstrated to increase consumer awareness and promote healthy changes in consumption habits. Many of the respondents said they preferred to shop at socially conscious stores. Additionally, respondents picked green products above conventional options. They were, however, price conscious, which had an impact on their purchase choices. It was shown that there was no discernible variation in price sensitivity between low- and high-income earners, and no discernible difference in knowledge and awareness of environmental degradation and green marketing between lower and higher qualified respondents.

Keywords: *green marketing, green marketing mix, consumer purchase decisions.*

Introduction

India continues to have the highest consumer confidence in the world, and it increased in the second quarter of 2015 (Q2) thanks to a strong economy and low inflation. According to Nielsen's research, consumer confidence in urban India rose one point from the first quarter to the second quarter of 2015. Consumer confidence in urban India increased by three points to 131 in the second quarter of 2015 from 128 in the prior corresponding period. India maintains its lead in the global consumer confidence index for the current quarter thanks to its current score, which is followed by the Philippines (122) and Indonesia (120). India has seen an increase in confidence for seven straight quarters. India is viewed by multinational organisations as one of the primary markets from which future growth is likely to originate. A favourable population composition and rising disposable incomes would be the main drivers of the consumer market's expansion in India. According to a recent analysis by the McKinsey Global Institute (MGI), if India keeps growing at its current rate, average household incomes will treble over the next 20 years, moving it up from its current 12th place to the fifth-largest consumer economy in the world by 2025. India is without a doubt a major global market. According to a report by the Boston Consulting Group (BCG) and the Confederation of Indian Industry (CII), India's strong economic growth and rising household incomes would increase consumer spending to US\$ 3.6 trillion by 2020. India's gross domestic product (GDP) was estimated at USD \$ 2049.5 billion in 2014. The sectors of food, housing, consumer durables, transportation, and communication are likely to see the highest levels of consumer spending. The research also predicted that by 2020, India would account for 5.8% of world consumption, an increase of more than double that amount.

History of Green Marketing

The ecological marketing concept was born in the 1970s, which is when the origins of green marketing may be found (Baker, 2003). This is seen as the beginning of the evolution of green marketing. The concern for environmental issues was given top priority throughout this phase, and marketing efforts were focused on offering solutions to the problems mentioned. In the second phase, Green Marketing, which gained popularity in the late 1980s and early 1990s, the emphasis was on creating clean technology and innovative, environmentally friendly products that had the least possible negative effects on the environment. However, the 1975 American Marketing Association (AMA) workshop on "Ecological Marketing" resulted in the publication of the first book with that name. However, since the early 1990s, Green Marketing has grown significantly. The idea of sustainable green marketing gained popularity in the late 1990s and early 2000s, when attention was turned away from the effectiveness of green marketing due to the high cost of green technology and green goods.

Need for Green Marketing

Resources must be used wisely and sustainably because there are only so many of them, yet human needs and wants are limitless. The claim that consumers today favour ecologically safe products and have a favourable attitude toward businesses using such procedures is supported by a number of research. Ritchi and McDougall (1985) highlighted the fact that consumers are acting in favour of the environment as a result of social pressure to do so. According to numerous surveys conducted in the US and internationally, customers are very inclined to prefer environmentally friendly goods and businesses, but whether they actually do so is controversial (Mendleson&Polonsky, 1995). The demand for green products is not as large as anticipated despite the enormous interest that scholars and organisations have in green marketing. According to Mintel (1995), there is a considerable disconnect between consumer concern and actual green buying. It is discovered that there are still significant obstacles in the way of more environmentally friendly consumption patterns spreading. According to Michael J. Polonsky, businesses have seen environmental marketing as a chance to accomplish their goals [Keller, 1987; Shearer, 1990]. According to Davis (1992), Freeman & Liedtka (1991), Keller (1987), and Shearer (1990), organisations have a moral imperative to serve society in a way that is more environmentally friendly. Two goals must be the main emphasis of green marketing. The first goal is to increase the quality of the environment, and the second goal is to satisfy customers in a sustainable way. A "green marketing myopia" may result if one of the objectives is miscalculated or the second one is overemphasised (Ottman et al., 2006). Due to the legislation set forth by the government for the protection of the environment, businesses are also being obliged to adopt a more socially responsible attitude. Competitors' environmental initiatives put pressure on businesses to adjust their marketing strategies to include more environmentally friendly ones.

Literature Review

The government and business sectors are working to protect the environment. The Environment Protection Act and Environment Audit were adopted in India in 1986 and 1992, respectively, to preserve the environment. Prior to the Supreme Court of India's intervention to switch to alternative fuels, New Delhi, the capital of India, was one of the most polluted cities. To reduce pollution, the Supreme Court ordered that all public transportation systems must fully implement CNG in 2002. According to D'Souza and Peretiatio (2002), small and medium-scale companies are expanding quickly in India as a result of the country's fast industrialization, which is having a negative influence on the environment. Small businesses are determined to be the least concerned about environmental degradation and are thought to be the worst polluters. Due to the high cost of purchase and installation, pollution control equipment is not installed, which is the cause of the

problem. To reduce the emissions produced by these SMEs, the Indian government has developed a proactive assistance system for the growth of small and medium-sized businesses. One of the areas of focus in green consumer behaviour is the post-purchase behaviour of discarding products after use. As previously said, Nokia began its phone recycling programme as one of the environmentally friendly initiatives for disposing of electronic equipment and recycling the same, and the second-hand automobile industry in India is also thought to be rather large. Maruti was the first automaker to join the market for used cars under the label True Value after seeing this as a potential. Maruti buys used automobiles from customers, repairs them so they are in good working order, and then sells them to people looking for a good price in the used car market. Later, other automakers also used the similar design. Matsushita Electric Industrial Co Ltd, a leading manufacturer of electrical equipment in Japan, looked into the prospect of bringing its Panasonic Brand line of energy-efficient consumer durables (such as refrigerators and washing machines) to India (Chatterjee & Thomas, 2005). They were considering the introduction of environmentally friendly consumer goods that would help consumers cut back on labour and energy costs. They intended to market energy-efficient washing machines that are already available in the US, Europe, and Japan. IBM established Project Big Green in 2007 (GreenBiz, 2007) to assist clients globally in increasing IT effectiveness and better utilising their data centre resources. Businesses can save more than 40% on energy costs and data centre energy use by using IBM software and services technologies. The project aims to improve the energy efficiency, financial viability, and environmental sustainability of data centres globally. As part of this strategy, IBM would increase the computational capacity of its data centres without using more electricity by utilising the most recent hardware, software, and services. IBM encourages businesses to use power management software to reduce their energy consumption. For more than 88 years, Kansai Nerolac Paints has been a leader in the manufacture of paint, developing a wide range of high-quality paints. It is India's second-largest paint manufacturer and the market leader in the industrial sector. Due to the removal of dangerous heavy metals from their paints and the promotion of their lead-free paints in India, Kansai Nerolac Paints is positioning itself as being environmentally friendly. They have taken the initiative to make their line of ornamental products, which are used in homes, lead free by design and to remove the heavy metals from them. Lead and other similar heavy metals are not added to the manufacturing process by Kansai Nerolac (BusinessStandard, 2009)

It is commonly acknowledged that environmental concerns are the primary element influencing businesses' success over the long term as well as in the near term. Coddington (1993) connected concerns about environmental management, or the business commitment to and responsibility for the environment, to concerns about environmental marketing. Prior to the launch of environmental marketing strategies, the

researcher emphasised the significance of company environmental commitment. The responsibility to lead the organisation in going green falls to the marketing.

Environmental Issues in Focus

In recent years, there has been a lot of hoopla surrounding environmental issues. A few examples of the increased attention being paid to environmental issues and environmental protection are the Narmada Bachao Andolan campaign against the Enron Power Project, the ban on the use of plastic bags, the Ganges Action Plan to clean up and protect the river from pollution, the implementation of emission standards like Euro II, Euro III, and Euro IV norms, and various rulings by the Supreme Court of India (Jain & Kaur, 2004). Globally, people are most concerned about the threat of climate change and its effects. A pact on climate change was implemented at the 1992 United Nations Earth Summit in Rio de Janeiro in order to regulate the levels of greenhouse gases in the atmosphere. The treaty's main goal was to reduce emissions at all costs. More than 186 nations ratified this agreement. However, the development of the green economy is still in its infancy in developing nations like India. This is a result of emerging economies placing a greater emphasis on raising the national income so that more development initiatives may be carried out with the aim of removing people from poverty. According to India's National Action Plan on Climatic Change (Government of India, 2008), there has been a clear warming of the earth's climate system from the year 1850. According to reports, the atmospheric carbon dioxide content rose from 280 parts per million to 379 parts per million in 2005. It is predicted that temperatures will rise by 1.1 to 6.4 degrees Celsius between 2090 and 2099 compared to 1980 and 1999. This may be one of the primary causes of the effects of climate change on freshwater availability, ocean acidification, food production, coastal flooding, and an increase in water-borne diseases linked to extreme weather events. The industrial revolution caused a significant acceleration in industry expansion, which led to an increase in the atmospheric concentration of greenhouse gases. The higher temperature caused by the increased greenhouse gas concentration in the atmosphere has a significant detrimental effect on the environment. India's population is expanding rapidly at the same time, placing a greater demand on our natural resources and accelerating the effects of climate change. Human health will suffer as a result of climate change. Increased temperatures will make people sick and could increase fatality rates. In these circumstances, the availability of food and water will be a major worry.

Conclusion

This exploratory study aimed to look into how customers' buying habits are affected by green marketing. The respondents showed a high level of familiarity with environmental damage and green marketing. It was discovered that gender and product awareness did not significantly correlate. The results showed that respondents firmly believed that green marketing had an impact on their purchase decisions and that there was no connection between age and the ability of green marketing to persuade consumers to alter their consumption habits. The majority of respondents believed that green products are preferable to conventional ones in terms of health, the environment, and quality. It became apparent that eco-friendly items were neither accessible, affordable, or well-marketed. Price sensitivity in relation to eco-friendly items was a significant problem. There was no discernible relationship between respondents' ages and their price sensitivity for green goods. The respondents felt that packaging, labelling, and product information had a significant impact on their purchase decisions and that they had been influenced by advertisements promoting green products. Socially conscious retailers enjoyed widespread approval. Future research has been given direction, along with implications for marketers. The study is important because there hasn't been much research on green marketing in South Africa, an emerging market. It aims to act as a catalyst for additional research into green marketing, a field that has recently drawn significant attention on a global scale.

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