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## **Understanding and Analyzing the Viability of Green Marketing: A Consumer Awareness Level Study with respect to Noida Region**

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### **Abstract**

Environmentalism has fast emerged as a worldwide phenomenon. Society has become more concerned with natural environment. Businesses have begun to modify their behaviour in an attempt to address new concern of the society. Green marketing is a phenomenon which has developed particular important in the modern market. This concept has enabled for the re-marketing and packaging of existing products which already adhere to such guidelines. Environmentally responsible or "green" marketing refers to the satisfaction of consumer needs, wants, and desires in conjunction with the preservation and conservation of the natural environment. Green consumerism is based on public awareness of pressing environmental issues. The consumers through their concern are interested in integrating environmental issues into their purchasing decisions through their incorporation into the process and content of the marketing strategy for whatever product may be required. Green Marketing seeks to satisfy the needs and wants of individual consumers while simultaneously seeking to improve environmental quality of life for society as a whole. This paper will attempt to find out the level of consumer awareness regarding eco- friendly products and green marketing practices in Noida region. The paper also examines the reasons why companies worldwide are adopting Green practices, and describes the measures to enhance the practice of green marketing among consumers and concludes that green marketing is something that will continuously grow in both practice and demand.

**Keywords** - Green marketing, Green consumerism, Environment, Public awareness, Eco-friendly product.

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### **Introduction**

In the late 1980s, a renaissance of environmental concern swept through the country, sparked by fears of global warming, loss of the earth's protective ozone layer, destruction of tropical rain forests, and changing perceptions of mankind's place in the world. This "third wave" of environmentalism differed from earlier periods in two significant aspects: (1) the most pressing environmental problems were now seen as global, rather than local, in scope; and (2) businesses were responding much more proactively and much less antagonistically than in former times.

Henion and Kinnear (1976), introduced the concept of ecological marketing as being "concerned with all marketing activities (1) that have served to help cause environmental problems and (2) that may serve to provide a remedy for environmental problems." Green marketing emphasizes environmental stewardship. Mintu and Lozada (1993), define green marketing as "the application of marketing tools to

facilitate exchanges that satisfy organizational and individual goals in such a way that the preservation, protection and conservation of the physical environment is upheld."

Walter Coddington (1993), defines *environmental marketing* as "marketing activities that recognize environmental stewardship as a business development responsibility and business growth responsibility." Others have focused more on strategic dimensions in defining green marketing; for example, Charter (1999), defines it as "a holistic and responsible strategic management process that identifies, anticipates, satisfies and fulfills stakeholder needs for a reasonable reward, that does not adversely affect human or natural environmental well-being."

According to Grundey and Zaharia (2009), Environmental Marketing consists of 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 harmful impact on the natural environment. Finally, Mackoy *et al.*, (2011), differentiate among three aspects of green marketing, which they identify as demarketing (managing demand to maintain optimal long-term profitability), green marketing (addressing the needs and wants of a segment of consumers expressing environmental concerns), and social marketing (adapting marketing tactics and strategies to the development and promotion of social goals).

All of these definitions enlarge the traditional objective of business to maximize profits by including some notion of maintaining the integrity of the natural environment. Operationally, green marketing seeks to satisfy the needs and wants of individual consumers while simultaneously seeking to improve environmental quality of life for society as a whole.

### **Literature Review**

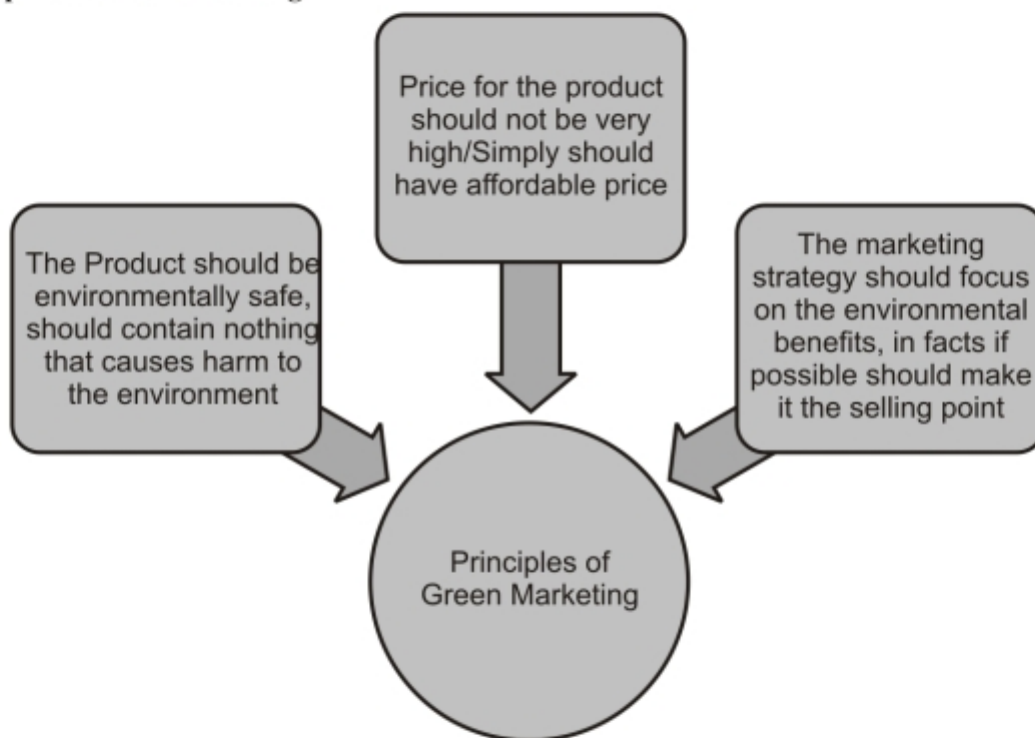
The green awareness began in between of the 1960s and early 1970s with increasing concern about the negative impact of consumption pattern, impact of economic and population growth on the environment (Cohen, 2001). But, a serious concern of green marketing appeared in the late 1980s with a rapid increase in the consumer awareness for the green products.

The adoption of a green marketing orientation by a firm is principally a response to the increased pressures by society for business to meet its comprehensive ethical and moral responsibilities, while adhering to the marketing concept's basic tenants as suggested by Mc-Carthy and Perreault (1984), of meeting customer needs at a profit. In addition, an eco-marketing orientation may provide the organization with a strategic competitive advantage in both domestic and international markets. Gill and Taylor (1981), segmented U.S. consumers by their utilizing consumers' self-designated "greenness" to segment consumer markets (Schwartz and Miller, 1991).

One of the most prominent social concerns is the determination of the level of a firm's ecological sensitivity. Ecological issues such as global warming, toxic waste disposal, resource depletion, and landfill management are items of public as well as legislative concern which have prompted organizations to interject pro-ecological values into their system of corporate heuristics. Building on the tenets of social marketing, Henion and Kinnear (1976), offer a definition of ecological marketing. Ecological marketing is concerned with all marketing activities:(1) that served to help environmental problems, and (2) that may serve to provide a remedy for environmental problems. Thus, ecological marketing is the study of the positive and negative aspects of marketing activities on pollution, energy depletion and non energy resource depletion. Mintu and Lozada (1993), have defined green marketing as "the application of marketing tools to facilitate exchanges that satisfy organizational and individual goals in such a way that the preservation, protection, and conservation of the physical environment are upheld".

Through this definition, Mintu and Lozada note that green marketing goes beyond image building activities. The ecological concerns espoused by Henion and Kinneer (1976), would be integrated into the strategies, policies, and processes critical to the organization. More importantly, this definition of green marketing parallels what practitioners such as Coddington and Walter (1990), are embracing as environmental marketing: *“Marketing activities that recognize environmental stewardship as a business development responsibility and business growth opportunity is what I mean by environmental marketing”*. The environmental marketer adds the environment to the standard mix of decision-making variables. Thus, green marketing, conveys a more proactive role for marketers. It fosters not only sensitivity to the impact that marketing activities may have on the natural environment, but also encourages practices that reduce or minimize any detrimental impact.

### Principles of Green Marketing



Source: carbonfund.org; Christian Science Monitor; Energy Star: 2007 McKinsey Global Survey of 7,753 consumers; McKinsey Analysis

### Eco-friendly Consumers: Lohas

LOHAS stands for “Lifestyles of Health and Sustainability”, and describes an integrated, rapidly growing market for goods and services that appeal to consumers whose sense of environmental and social responsibility influences their purchase decisions.

The Natural Marketing Institute (NMI) identified four consumer segments as targets for companies in Asia–pacific region:

- 1) *LOHAS*: strong views regarding personal and planetary health, which are widely reflected in their behaviour. They are heavy users of green products and exert a strong influence over the other segments.
- 2) *Naturalites*: interest in protecting the environment is mainly a byproduct of their drive to be healthy

and is reflected in their consumption of natural and organic products, as well as gym memberships etc.

3) *Drifters*: have a shifting commitment to most issues, including sustainability. As the youngest segment, drifters are steered by the latest trends and more likely to view price as a roadblock to green living.

4) *Conventionals*: not particularly environmentally-conscious in attitude, they are practical consumers whose energy-conservation and recycling efforts can make them a viable target for some marketers.

### Three Levels of Greening

Menon and Menon (1997) have suggested three levels of greening:

- Strategic Greening - requires a fundamental change in corporate philosophy e.g. an organization redesigning its whole operation to be a closed loop system, with minimal waste;
- Quasi-strategic Greening- requires a substantial change in business practice e.g. hotel chains instituting procedures to reduce water consumption associated with washing linen where guests are asked to indicate where they want their towels and linen washed daily;
- Tactical Greening -with shifts in fundamental activities such as promotion e.g. an organization undertaking a promotional activity linking their products to environmental issues, although there is no change in corporate activity overall.

### Green Marketing Activities Across Levels

Activity	Strategic Greening	Quasi-strategic Greening	Strategic Greening
Green products and design	An organization changes material supplier to one with more eco-friendly processes.	Life-cycle analysis to minimize eco-harm is a regular part of the process.	Fuji.Xerox develop green wrap paper to be more eco friendly from the ground up.
Green pricing	Cost savings due to existing energy efficiency features are highlighted for a product.	Hunter Waste changes its pricing policy from a flat monthly rate to a per-unit-of –water used basis.	A company changes its business approach and rents (instead of selling) washing machines to customers, who now pay each time they use the washing machine as opposed to owning.
Green place and logistics	An organization changes to a more concentrated detergent, reducing package size and weight, lowering shipping costs.	Packaging minimization is incorporated as part of an organization's manufacturing review process.	A reverse logistics system is put in place by Fuji. Xerox to reprocess and remanufacture photocopiers.
Green promotion	An oil company runs a PR campaign to highlight 'green' practices to counter a oil spill receiving negative press coverage.	A company sets a policy that products eco-benefits should always be mentioned in promotional materials.	As part of its company philosophy the Body Shop co-promotes social eco/campaigns each year with in-shop and promotional materials.

Targeting	Ads mentioning green features are run in green or environmentally featured media.	An organization develops a green brand	An organization launches a new strategic business unit aimed at the/a green market.
Green positioning	A mining company runs a PR campaign to highlight existing 'green' aspects and practices of the organization.	BP-Amoco designs its corporate logo, changing to a sun based emblem to reflect its view of a hydrogen /solar based future for the energy industry.	The Body Shop not only states that it dedicates its business(not products) to environmental and social change, it proactively engages in related activities and encourages its customers as well.
Marketing waste	An organization improves the efficiency of its manufacturing process, which lowers its waste output.	Telstra (an Australian phone company) has internal processes so that old telephone directories (waste) are collected and turned into cat litter products by other companies.	A Queensland sugarcane facility is rebuilt to be cogeneration based, using sugarcane waste to power the operation.
Green alliances	A company funds a competition(one-off basis) run by an environmental group to heighten community awareness on storm water quality issues.	Southcorp(a leading Australian wine producer) forms a long term alliance with the Australian Conservation Foundation to help combat land salinity issues.	A company invites a representative of an environmental group to join its board of directors.

### Why Companies Worldwide are going Green?

A lot of companies are venturing into Green Marketing for the following reasons:

*Opportunity:* With the increase in consumers who prefer environment-friendly products and those who have become health conscious, there is a vast opportunity for Green Marketing in India. The SURF EXCEL water-saving detergent (with the message.....”do bucket paani roz bachaana”) and LG Consumer durables are examples of Green Marketing.

*Social Responsibility:* Many companies have started realizing that they must behave in an environment-friendly fashion. They believe both in achieving environmental objectives as well as profit related objectives. The HSBC became the world's first bank to go carbon-neutral last year. Other examples include Coca-Cola, which has invested in various recycling activities. Walt Disney World in Florida, US, has an extensive waste management program and infrastructure in place.

*Government Pressure:* The Government of India has framed and prepared various regulations and legislations to protect the society at large, and reduce the production of harmful goods and by products. For eg: Ban of plastics in Mumbai and prohibition of smoking in India.

*Competitive Pressure:* Many companies take up green marketing to maintain their competitive edge. The green marketing initiatives by niche companies such as Body Shop and Green & Black have prompted many mainline competitors to follow suit.

*Cost Reduction:* It is believed and proven that the reduction of harmful ways will cut down the cost of the

final product also. Some companies have now developed a symbiotic relationship in which one company uses the by-products of another company as raw materials. In this manner, the problem of disposing off the effluent waste is reduced.

### Objectives of The Study

1. To find out whether the consumers are aware of eco- friendly products and green marketing practices.
2. To find out whether the consumers are willing to pay more for green products.
3. To investigate how many consumers intend to purchase green products in near future.
4. To suggest the measures to enhance the practice of green marketing among consumers.

### Methodology

This is an Empirical research on the consumers situated in Noida, India. The data is collected through survey method with the help of questionnaire which consists of Dichotomous questions, and questions relating to demographic profile. The respondents were selected through Convenient Sampling Method as many consumers were not willing to give information. Data was collected from 100 respondents.

### Findings

The data collected through questionnaire was analyzed, the opinion of the consumers were taken into consideration and percentages were derived which are represented in the form of pie charts. The findings are as under:

- In figure 1, we can see that 70% of the consumers are aware of eco- friendly products and green marketing practices and 30% are unaware about eco- friendly products and green marketing practices.



Figure 1

- In figure 2, we can see that 85% of the consumers in Noida are attracted towards purchase of green products, 14% said they do not find green products attractive and 1% did not comment on it.

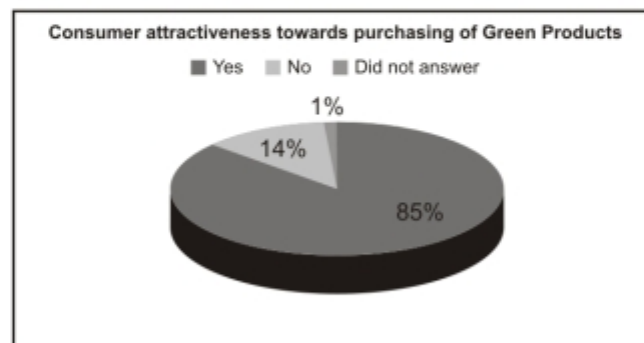


Figure 2

- In figure 3, we can see that 45% of the consumers are not willing to pay more for the green products , 50% said they are willing to pay more for the green products, and 5% did not answer as they were not aware of green products.

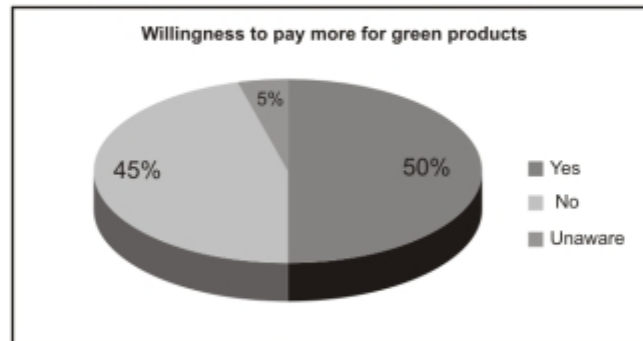


Figure 3

- In figure 4, we can see that 60% of the consumers feel that eco friendly products will be beneficial for their health. while 35% of the consumers do not find eco-friendly products beneficial and 5% did not respond.

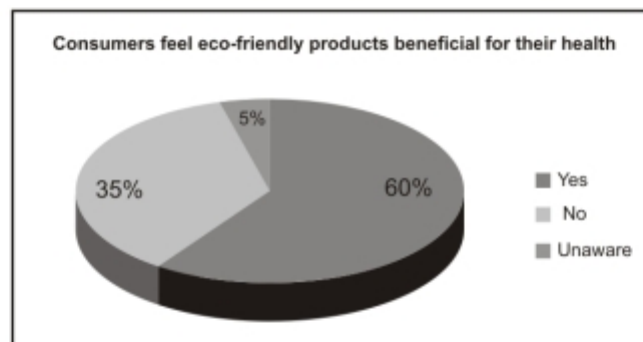


Figure 4

- In figure 5, we can see that 80% of the consumers believe that green products can prevent unnecessary animal suffering since green products are not experimented on animals while the rest 20% don't believe in this.

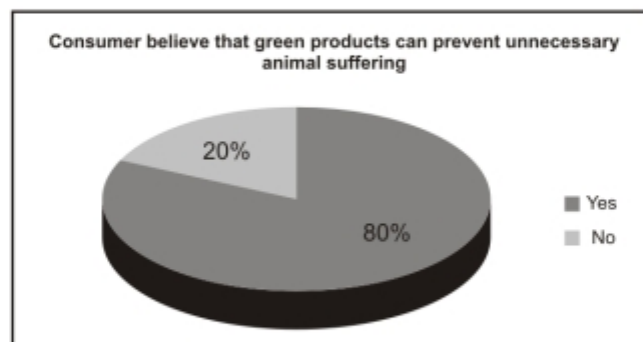


Figure 5

- In figure 6 we can see that 80% respondents are planning to purchase green products in near future, 20% of the consumers do not intend to buy green products because of their high prices

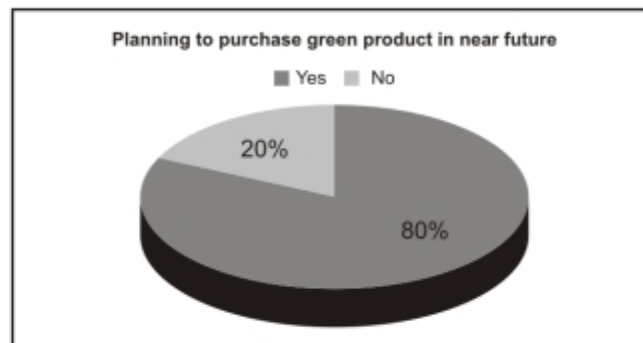


Figure 6

- In figure 7 we can see that 75% of the respondents support green products and green marketing practices because they care for the environment they live in and the rest do not support green marketing due to lack of actionable information.

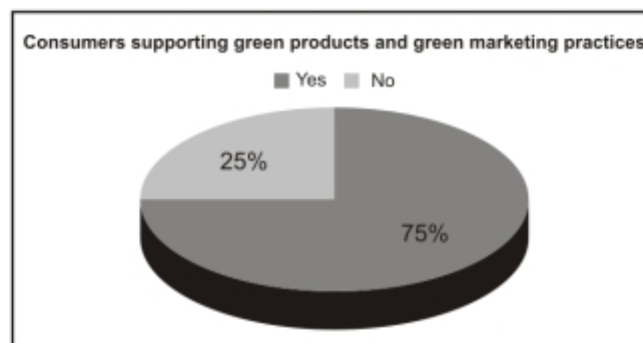


Figure 7

### Suggestions to Enhance Green Marketing

From the above findings one can conclude that:

- It is the responsibility of the marketers to make the consumers aware about the need and advantages of green products .
- The consumers will not mind paying more for a cleaner and greener environment .
- Social advertising to be carried out on a large scale through various medias to promote environment friendly practices, to promote the consumption of green products.
- Government provide subsidies to the manufacturers who are manufacturing green products.
- Financial institutions and bank should help the firms by giving them easy loan facility and other relaxations so that they will be encouraged to manufacture green products.
- Awards and recognition should be given to those who successfully practice green marketing which becomes a motivating factor for others to implement it.
- Promotion of Eco-mark or Eco-labeling has to be done to create awareness not only amongst manufacturers but also consumers.



### **Key Trends To Expect in 2012**

1. *Consumer Giants Awaken to Green-* Large consumer packaged goods companies took bold initiatives and challenged themselves with both short-term and long-term goals. Kraft, Procter & Gamble, SC Johnson, and Unilever were among those making green announcements during 2010-11.
2. *Companies Aim for 'Zero'* - Companies like Dell, Coca-cola and others are inching closer to “zero” waste facilities, by not only using less and being more resourceful, but through symbiotic associations and collaborations with other businesses that could use their waste.
3. *The Developing World Yanks the Supply Chain-* Business are beginning to investigate deep into their supply chain to pinpoint sources and taking responsibility for it. This aspect presents many challenges but also provides an opportunity to outshine competitors and create market value. Companies trying to understand social cost of their products and improving means & methods to reduce this impact.
4. *Greener Transport Makes Its Move-* The shipping industry, that is responsible for 14% of nitrogen emissions, are beginning to hold themselves responsible and are making improvements to reduce their footprint. The airline industry is making improvements to reduce emissions and save costs. But since the transportation industry has a huge environmental impact, a lot of progress still needs to be made.
5. *Sustainable Food Becomes a Main Course-* There is growing awareness on what it takes to bring food to your table, and its implications. Walmart and Unilever among others have launched ambitious programs to make food healthy and cheaper.
6. *Metrics and Standards Become the Rule-* Customers want more than ever to know the lifecycle impacts of their purchases. Many companies are obliging and developing tools that measure this. Standards are emerging that put an environmental price tag on items like clothing or shoes where there was a serious lack of information.
7. *Toxics Concerns Spur Greener Alternatives-* 2010 threw light on the fact that developed societies were confronted with toxins everywhere and there was no disparity in that. Companies are switching ingredients as green chemistry is on the rise. This is a key area as human exposure to these chemicals brings about a plethora of economic and social costs.
8. *Water Footprinting Makes a Splash-* The looming water scarcity issues has forced companies to think about their water use, prompting water audits, monitoring and many water-saving measures like process improvement, water harvesting and gray water recycling.
9. *Companies Learn to Close the Loop-* Businesses are learning that cradle-to-cradle approach is highly beneficial to the bottom line and the environment. There is a lot of opportunity to recycle waste into useful products and this market area is only just opening.
10. *Bio-plastics Become Material-* Bio-plastics, plastics made out of vegetative products is making its way slowly into packaging for many big names in business. But there are drawbacks, as they cannot be sent to a regular plastic recycling facility and composting facilities are still not developed. As Bio-plastics make their market presence stronger, the economic sense for separation or composting will improve.

### **Conclusion**

From the above we can conclude that Green marketing is not going to be an easy concept. Green

marketing has to evolve since it is still at its infancy stage. Marketers also have the responsibility to make the stakeholders aware about the need and the advantages of green products.

While firms must bear much of the responsibility for environmental degradation, ultimately it is consumers who demand goods, and thus create environmental problems. It must be remembered that it is the uncaring consumer who chooses to dispose of their waste in an inappropriate fashion. While firms can have a great impact on the natural environment, the responsibility should not be theirs alone.

Green marketing requires that if consumers want a cleaner environment then they should be willing to "pay" for it, possibly through higher priced goods, modified individual lifestyles, or even governmental intervention. Until this occurs it will be difficult for firms alone to lead the green marketing revolution. For companies, Greening their business model is no longer a burden. On the contrary, it ensures sustained long term growth, profitability, saves money in the long run and helps in breaking through newer markets and enjoying competitive advantages.

For effective and efficient implementation of this concept of Green Marketing the factor that plays a major role is the Government. Unless the government creates specific and stringent laws and utilizes its authority to implement them the concept cannot be conceptualized.

If the Consumer, the organization and the Government work in unison towards the common goal of minimizing the detrimental environmental impact of their activities, then they can surely save this environment and make this world a better place to live in.

Adoption of Green marketing may not be easy in the short run, but in the long run it will definitely have a positive impact on the firm.

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