

Impact of green marketing

[Business](#), [Marketing](#)



A Study on the Impact of Green Marketing on Purchasing Decision as Perceived by Young Professionals on Makati City A Research Paper Presented to Ms. Lydia A. Basaysay In Partial Fulfillment for the Requirements of the Course in Communication Arts II Presented by: Angel Joy Mandigal Far Eastern University-Makati October 4, 2012

I. INTRODUCTION In the late 1980's there are various environmental disasters that exist which makes the environmentalism in the spotlight.

Among these were the Exxon Valdez Oil Spill in Alaska, devastation of Germany's Black Forest by acid rain, release of toxic chemicals in the Rhine River and the volcanic eruption of Mount Pinatubo in Philippines according to Ottman (1998 as cited in Suplico 2009). Those environmental issues that mentioned are antecedent by the world's growing population that leads to scarcity of goods. As a result, "green" were introduced in the market that helps to make less damaging to the environment. In a study of Nandini & Deshpande (2011) stated that the green concept are seen in the United States and has been gaining steadily ever since. In detailed, business firms realized that this environmental issue serves as a marketing opportunity for them. They believed that it will help them to increase their business profit thus; they started to adopt the concept of green marketing by implementing green consuming in measures to save earth's resources in production. Tan & Yeap (2012) On the other hand, Suplico (2009) cited that marketing fulfills business and human purpose by providing benefits to customers through products such as the food people eat, the clothes they wear, the house where they live and the cars they drive.

Hence, the decisions on what products to make and how to offer them are the responsibility of marketing functions. Additionally, Fuller (2009) stated that the decisions on what products to make are related to what to take and both the making and taking processes. Eventually the wasting process that takes into ecological costs in the form of waste, pollution and damage of ecosystems that determines the attributes of products and the specific systems through which they are made available to the markets.

And to determine resource use and waste generation patterns, which are the antecedents of pollution and ecosystems degradation. Due to that, the market has a challenge to reinvent product systems to achieve “zero waste, zero discharge” outcomes while giving the same benefits to consumers that meets their customer expectations on product. Research studies about green consuming of a product or service have increased exponentially over the last decades that conducted until now, confirmed by Leonidou, Leonidou and Kvasova (2011).

People get interested on consuming eco-friendly products or services due to the environmental issues problem that lead market segment to produce a so called “green marketing”. This research is followed of succeeding major streams, which are explained below. In a study that Nandini & Deshpande (2011) conducted, it mentioned that green marketing is an activity that designed to generate and facilitate any exchange intended in order to satisfy human needs or wants such as that satisfying that needs and wants to occur with minimal detrimental input on the national environment.

Furthermore, according to Zsolnai (2002: 656) as cited in Smith & Perks (2010) appended that green business is a business that has adopted the

concept of being environmentalism across the various functions of the business. Together with the study of Yazdanifard & Mercy (2011) affirmed that green marketing serves as a tool for protection of the environment for the future generation which has a positive impact on environmental safety. In other words, green marketing was made in business functions due to the reason to prevent variety range of environmental issues that consumers experienced.

Specifically, in the book European Communities (2004: 5) defined green purchasing as a giving an example and influence the market place by promoting it's the green products or services with the authority of the public which can provide the industry with incentives for developing green technologies. As a matter of fact, green marketing campaign highlighted the superior of environmental protection characteristics of a company's products and services whether those benefits take the form of reduce waste of packaging, increased energy efficiency in product used or decrease release of toxic emissions and other pollutants in production.

Encyclopedia of Business (2nded.). Meanwhile, Tan & Yeap (2012) study asserted that the green movement are not only focused on the environmental protection purpose but let firms globally compete to the corporate world since mostly firms applied these green movement. In addition, Smith & Perks (2010) probe about the impact of green marketing on business functions founded out that those human resource, management and finance department of firms which has a least impact b the green business practice.

On the other hand in the further analysis of Smith & Perks revealed that the operation, marketing and distribution functions of business are the most impact of green practice of firms. Wherefore, business must know their intentions ogoalssince mostly of its functions impacted of green practice. Bukhari (2012) discussed in his study that companies developed more new and improved products and services with environment inputs in mind. As a result, it enables firms to gain competitive, improve ecological performance, educe operation costs, enhance corporate image of firms and increase the profit sustainability.

On the other side, Ottman (2011) explained that through green consuming will served as a new source for innovation of global market because market segment believe that being green means doing things differently. However, consumers are one that witnessed the existence of green practice to market. To agree on that, in the book of National Consumer Council (2002: 7) postulated a fact that consumers are at the centre of environmental issues, everything that consumers do in their lives impacts on the environment.

In that condition, the people will start to practice the green purchasing with a belief that it will help to prevent the environmental issues that they undergo. That fact that cited was supported by Suplico (2009) in her study that consumers are really aware of the green consuming such as buying environmentally friendly products. It showed in her study that the respondents or consumers agreed that they will buy products that are non-toxic, recyclable/reasonable/refillable, degradable, non-polluting, and free from animal testing, ozone friendly, energy efficient and cause minimal household waste.

In short, people are willing to bought products that are harmonious to the environment. Although, green practice of business function and consumers help to prevent globally environmental issues and give firms an opportunity to boost up their profit, still it has another side impact in market and consumers. To prove it, Lin &Ho (2010) claimed on their study that the environmental uncertainty and green practice complexity have a significant negative influence on green adoption.

Additionally, in a report of Romero (2008) posted in news the statement of Von Hernandez, Green Peace Executive Director for Southeast Asia that going green of the businesses is a great thing but it would be misleading to the consumers. Identically, on the blog of Hicks (2009) exposed that the use of eco labelling about the environmental credentials of firms are only made consumers more confusing about the product or service. Similarly, according to Lipp (2010) that articulated in his blog that in the reality the green products that offered are come in a higher price tag, in which can face market obstacles.

And also, Tantawi, Shaughnessy, Gad and Ragheb (2009) conceded that going green has contradicts in result. They confirmed in their study that those environmental concern products and services is a little luxurious that only afforded by wealthy and only shed a light upon the possibility of going green. In the same matter, based on the blog of Makower (2011) explicated that green marketing are not changing consumer's mind but is ignored by the biggest marketers, are not changing things, instead mislead consumers and does not give companies where its due.

The purpose of this study is to examine the impact of green marketing on the decision making of consumers in Makati City. Precisely, this study will response and explicate the following the questions: 1) Are consumers cognizant on the concepts of green consuming? 2) Is there a significant effect of green marketing on brandloyalty? Obviously, this paper wants to address if the concept helps the firms to increase the brand loyalty on products or services. Thus, this will exposed if the effects of the concepts to brand loyalty whether it has an advantage or disadvantage to the business functions and consumers.

And for the last question, 3) Is there a significant implication of influence of green consuming that executed on the consumers and business functions? The significance of this research paper that will conduct is important because it will distinguish more information about green consuming to the consumers. As a matter of fact, this will make consumers more aware to the practice of green consuming that implemented the conservation of environment. For additional reasons, this paper will analogize the impact of green marketing to its relations to the brand loyalty of consumers on products.

Hence, its main reason that related on green marketing is to contribute benefits on business functions, environment and mostly consumers. II. METHODOLOGY This paper determines to analyse the influence of the green practice movement of businesses functions on the offered products and services in market that consumed by the different consumes. 2. 1 Participants Thirty people from selected areas of Makati will be chosen as the

participants of this research. The thirty will be divided into three groups of ten students, workers and non-workers from different places.

Every each group of participants contains of five males and five females.

2.2 Instruments This research surveys will confirm the impact of adoption of green practice of different firms in country. The data for this study will come from one source compartmentalized in one survey questionnaire form. First, is the demographic part of the questionnaire that will be used of personal profile information from the respondent. It includes of the respondents age, gender and profession whether they are students, workers or employees and non-workers.

Second was the self-rating reading. This part is used to collect data information about their opinions that based on a given statement. The research questionnaire that used is the Likert Scale Type. This Likert are answerable by five scales: (SA) Strongly Agree, (A) Agree, (AD) Agree/ Dis Agree, (D) Dis Agree and (SD) Strongly Dis Agree. The scale has different criteria that concentrate on the effectiveness of the impact of green marketing on the buying pattern of consumers.

2.3 Procedure

All the data from respondents' demographic and self-rating reading information will be gathered. The questionnaire will administer to the respondents before end of September 2012. The respondents are taught to fill in the survey questionnaire, consulting that there were no right or wrong answer. The respondents can took five minutes to finish the questionnaire that given. To see if there are significant impacts of green marketing on the buying pattern behaviour of consumer, whether it has effectiveness.

DISCUSSION This research study tries to determine the impact of green marketing on the decision making in purchasing of consumers. With regard to a) the significant information of awareness of consumes on green practice of three groups, b) the effectiveness of the green practice of business on products and service that offered in the consume satisfaction of consumers and c) certain insights that can be establish concerning on the influence of green consuming that applied of consumers and business functions.

As regard to the first research problem, on many that study conducted it all agreed that consumers are highly aware on the movement of green consuming of product and service on market. To support that statement, Leonidou, Leonidou and Kvasova (2011) reiterated that consumer are started to be cognizant on green practice of market because of the immediate exist of products or services that are harmonious on environment that leads to severe environment issues. Table 1 Awareness about and the importance of green product

Awareness about green Product	Frequency (N)	Percentage (%)
Have never heard	14	13
A lot	77	71.3
A little	17	15.7
The Importance of green product		
YES	97	89.8
NO	11	10.2

As for the awareness of the consumers on purchasing green products, Yaacob and Zakaria (2010) study result overwhelmingly more than 70 per cent of respondents claimed that they were highly aware on green products. Only small proportions of respondents had a little awareness about products- 15.7 per cent. On the other hand, 13 per cent of them admitted that they never heard about the practice of green consuming. It is also the same scenario that observed when the question of green products was raised.

Close to 90 per cent of respondents were positive about it, and only 10 per cent claimed green products were of no importance.

Table 2: Respondents' Source of Awareness to Green Marketing | How did you become aware in green marketing? | Frequency (N) | Percentage (%) | |

TV	105	48.61
Radio	14	6.48
Newspaper	50	23.5
Magazine	80	37.04
Books	11	5.09
Seminar	19	8.80
Class Lecture	77	35.5
Others		
Internet	13	6.02
Parents	2	0.93
Friends	3	1.9
Product Bought	1	0.46

As shown in the Table 2 consumers get interested or aware on green consuming through the following result of study of Suplico(2009): television (48.61%), magazines (37.04%), class lectures (35.65%) and newspapers (23.15%). Obviously speaking television although has a little expensive but still the important source of information for consumers.

Because television reaches extremely large audience as it communicates with sight, sound and motion. Additionally, according to Yaacob and Zakaria (2010) that the green consumerism implies the consumer that is willing to buy products or service with a premium price. In detail, consumers agree that are willing to acquire products or services that are nontoxic, recyclable/reusable/refillable, ozone friendly, energy efficient and causes minimal household waste which implies businesses can use green marketing to promote their products.

With regard to the second question, Mercy & Yazdanifad (2011) study explicated that consumer on acquiring green products or services believe that the green life is a better and healthier for present and future generation. It was shown that consumers spending pattern illustrate that they have

desire for brands that “ go green”. Thus, in the paper of Raksha & Majidazar (2011) concluded that green practice has significant effect on the brand loyalty of consumers on firms’ products and services.

It was mentioned that the perceptual evaluative and psychological process that contributes the satisfaction of consumers which it shows the product satisfaction and purchase decision experience of consumers. For further detail, businesses that incorporated green ideas in their products or services not only can satisfy the environmental needs of consumers, but also the consumer expectations on the products or services which results to increase of consumer loyalty on product or service.

And for the last question, here are some significant implications of the influence of green consuming that is implemented on the consumers and business functions. Nandini & Deshpande (2011) stated in their study that green marketing helps to improve the usage of raw materials of company in manufacturing products which results a much better product quality of firms because of the green program that attached in the products. And together with the green contents that exist in the products or services that clearly gives interest to the consumers to acquire the product. Hence, it increased the satisfaction of costumers on the product or services of firms that leads into brand loyalty on firms. Similarly, Nandini & Deshpandi explicated being green of market increased and enhances the social responsibility of consumers to protect the environment. People get more get interested on their social responsibility if they see that the global market also concerned on the environment. Obviously, that implicate to reducing of the risk

exposure of environment. With the help of market and also the responds of the consumers, it may slowly prevent some environmental issues.

As for another firm's implication, Bukhari (2011) elucidated that doing green of firms give them chance to access the new market, increase their profit sustainability, and enjoy a competitive advantage over the companies which are not totally concerned on the environment. Therefore, after finding the implications of doing green it can be said that its main consequence is the sustainable development clearly in the environment and to the market that highlighted the green concept and absolutely to the consumers itself. Figure

1. Implications of Green Marketing

Retrieved from Nandini and Deshpande (2011) IV. CONCLUSION Green marketing is a tool for protecting the environment for the future generation, it has an impact on consumer decision making on buying products. As what Mercy & Yazdanifad (2011) concluded in their study that consumers want to identify themselves with companies that are green compliant and are willing to pay a premium for a greener life style. Hence, clearly can say it has positive on consumer. However, marketers must find an opportunity to enhance their product's performance and strengthen customer's loyalty and command a higher price.

Bukhari (2011) On the other hand, (Ottman, 1998), said that most consumers are sprouts. They buy green products from time to time but are not involved in any environmental activities. Additionally, the use of firms of labelling the green welfare of products are only make consumers more confused about the product or service. Thus, marketers should encourage consumers with appeals to get involved in environmental activities and must

have enough knowledge about the use of green products that offered in market.

As such, thus green marketing is not just an environmental protection tool but also, a marketing strategy of firms for sustainable development.

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APPENDIX A (Date) Dear Respondents, Good day! I am student from Feu Makati taking up Bachelor of Science Administration major in Marketing Management. As a business student, I am equied to write an academic research in our Communication Arts II. Thus, I am now conducting a research about “ A Study on the Impact of Green Marketing on Purchasing Decision as Perceived by Young Professionals on Makati City” The goal of this study is to examine and analyse the impact of the effectiveness of green marketing on the decision making of purchasing of consumers.

This survey will concentrate to the awareness of the consumers on Makati City on the eco-friendly practice of business functions. Likewise, this will also analyse the behaviour of consumers on the responds to the green practice of businesses. The responses will be a big help to further examine and re inform the impact of green practice on the customer satisfaction and businesses functions. In that matter, I would like to request to you to fill out <https://assignbuster.com/impact-of-green-marketing/>

the following survey questionnaire and I would be grateful if you could return the absolute questionnaire as soon as possible.

Thank you for your kindly cooperation, time and understanding. Sincerely,

Ms. Angel Joy S. Mandigal APPENDIX B Survey Questionnaire Name

(optional)_____Age_____ Gender: _____Male

_____FemaleProfession_____ Direction: Kindly put a check mark (?)

in each statement that reflects if you are SA- Strongly AgreeAD-

Agree/DisagreeSD- Strongly Disagree A- Agree D- Disagree | | SA | A | AD | D

| SD | | 1.

I am aware of green marketing practice. | | | | | 2. I choose/ purchase

products that are eco-friendly. | | | | | 3. My friends, the media and the

marketers influenced me of consuming green products. | | | | | 4. I buy or

consumed green products or services because of the env ironment issues. | |

| | | | | 5.

Everytime I purchase products or services, I always consider its benefit to | |

| | | | | environment. | | | | | 6. I believethat green products or services have

a high quality. | | | | | 7. Even though I consumed green products or

services in market, it still meets my | | | | | expectations and satisfactions

as consumer on product. | | | | | 8.

I am still willing to buy green products or services despite of its higher or | | |

| | | expensive price. | | | | | 9. I believe that purchasing green products or

services is a right thing to do. | | | | | 10. Everytime I purchased green

products or services I feel that I contribute to the | | | | | environmental

protection and sustainable development. | | | | | 11.

I prefer buying or consuming eco-friendly products or services than non-green. | | | | | 12. I am willing to recommend to the people around me the practice of purchasing green | | | | | products or services. | | | | | 13. I believe that business functions should adapt the concept of green marketing. | | | | | 14. Consumers should practice the green consuming of products or services. | | | | | 15. I do believe that green marketing really affects my purchasing decision on consuming | | | | | products or services. | | | | | 16. Green practice or consuming eco-friendly products or services of consumers are the | | | | | best way to prevent environmental issue problem concerned. | | | | | 17.

Government should lead promoting the usage and producing of eco-friendly products or | | | | | services among consumers and business functions. | | | |

| | ----- Sustainable Development Customer Brand Loyalty Satisfaction Reduce risk of exposure of environment Improved Product Quality [?]uw—? °±iilKLTU[j? oaOA? A? A? A? A? A? α'~kXH9h ah€" uCJOJQJaJhKh€" u5?

CJOJQJaJ\$hRwihCJCJOJQJaJmHsH\$hRwihnxiCJOJQJaJmHsH\$hRwihRwiCJOJQJaJmHsH\$hRwihu-CJOJQJaJmHsHhRwihnxiCJOJQJaJSocial Responsibility Improved Raw Material Usage