

# Green marketing flashcard



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This research paper seeks to explain "pro-environmental consumer behavior", how does pro-environmental consumer behavior differs from general archiving behavior, which type of barriers affects reversely on consumers' behavior for going green. Based on researches Important result has been shown through positive relation between "theory of altruism" and "pro-environmental consumer behavior". Here "sustainability index" for "Green consumer behavior" has been created based on consumer behavior related variables provided in the paper which will show intensity of consumers toward going green.

From the survey it is shown that how do cognitive, demographic, psychological factors affect consumer's behavior and as a result of that how does it affect on "Green Purchasing. Stereographic data has also collected about study of participants and from that samples statistical analysis(Regression analysis, variants) has been done based on independent variables (Consumers Green purchasing behavior), and dependent variables(Environmental knowledge, Environmental awareness, collectivism, Transparency on trade practices) , Demographic variables and how does it affect" purchasing behavior" of Indian consumer.

Based on various analysis of researches and from statistical analysis the result of this paper seeks to explain how does consumers" behavior affects purchasing pattern of consumer In the Indian rake. Consumer behavior", "sustainability index", "Green consumer behavior", "Green purchasing", "Purchasing behavior" Green Consumerism: Its' Implication on the purchasing behavior on the consumer In the Indian market.

There has been rapid economic growth in the past decade but this in turn has caused environmental deterioration through over consumption of resources. The consequences of environmental degradation are global warming, depletion of stratospheric ozone layer, pollution of sea and rivers, noise and light pollution, acid rain. According to some studies, thirty to forty per cent of current environmental gradation is due to the consumption activities of private households (Grunter, 1993).

As the environment continues to worsen, it has become a persistent public concern in developed countries and it has also awakens developing countries to the green movement for preservation of the environment. Although the level of consciousness for environment is high still sometimes it doesn't translate in pro- environmental behavior. A recent report on forest certification released by the Vermont Sustainable Jobs Fund (VASS) in 2006, shows that there is inconsistency between consumer environmental concern and purchase behavior of certified wood reduces.

The objective of the current study is to examine about attitude of consumer's for going green and determinants of consumers' pro- environmental behavior and this paper seeks to draw that how does other demographic, social factors affect consumer's " green purchasing behavior". This paper seeks to explore whether or not an increase in environmental consciousness has a positive impact on consumer purchasing behavior. Based on researches important result has been shown through positive relation between " theory of altruism" and " pro-environmental consumer behavior".

Green Consumerism: Its' implication on the purchasing behavior on the consumer in the Indian market. A) What is pro-environmental behavior and how does attitude of consumer and culture have effect on pro-environmental behavior? It is notable that pro- environmental behaviors differ from general purchase-related consumer behaviors. General purchase behavior is driven by an assessment of its benefits and costs that are of immediate relevance solely to the individual consumer performing the behavior.

Pro-environmental behavior is driven by customer's attitude toward environment Because ecologically conscious consumers believe that rent environmental conditions are deteriorating and represent serious problems facing the security of the world, whereas consumers who are less sensible to contrast, environmentally conscious behavior is unlikely to deliver instant personal gain or gratification, but rather a future-oriented outcome (e. G. Cleaner environment) that often benefits society as a whole (Mac Carry and Serum, 2001; Kim and Choc', 2005).

However, during the very recent periods, it can be observed that the current environmental dreadful conditions are ever more menacing consumer health and wellbeing globally. Therefore, consumers are becoming more sensitive in their environmental attitudes, preferences and purchases (Cigarillos, 2009). Customers are ever more aware of the seriousness of the environmental degradation, resulting more ecologically consciousness and desire to purchase CEO-friendly products and services, favoring businesses that prefer environmental practice (Roberts, 1996; Kilowatts et al. , 1999; Larch et al. , 2001).

There are other factors which affect consumer's pro-environmental behavior these are collectivism, environmental concern and perceived consumer effectiveness (PACE). Madam and Judi (2008) notified that perception towards organic food, awareness on government action and support, beliefs about product safety for use, belief about product friendliness to environment, availability of product and product information are the most influential factors that affect consumers' pro-environmental behavior. The different issues/variables of the consumers' pro-environmental behavior are going to be discussed one by one. ) Environmental knowledge Environmental knowledge can be defined as " a general knowledge of facts, concepts, and relationships concerning the natural environment and its major ecosystems (Freely). It involves what people know about the environment, key relationships leading to environmental aspects or impacts, an appreciation of " whole systems", and collective responsibilities necessary for sustainable development. So from the above discussion hypothesis can be formed such as: H1: Environmental knowledge has a significant positive effect on the consumers' green Purchasing behavior. ) Altruism Schwartz' (1977) theory of altruism suggests that " pro-environmental behavior becomes more probable when an Individual is aware of harmful consequences to others and when that person takes responsibility for changing the offending environmental condition. " Vice versa, pointing to the detrimental influence of individualism in this context, Borden and Francis (1978) hypothesize that: Persons with a strong selfish and competitive orientation are less likely to act ecologically.

People who have satisfied their personal needs are more likely to act ecologically because they have more resources (time, money and energy) to

care about bigger, less personal social and pro-environmental issues. The study of Stern, Dietz & Koala (1993) examined the role that social altruism (concern for the welfare of others) and aspheric altruism (concern for the non-human elements of the environment) play positive influence on the intention to buy green products. So from the above discussion hypothesis can be formed such as: H2O: There is a positive relationship between altruism and consumers' green purchasing behavior. ) Environmental awareness It has both cognitive and affective perception based components (Columns and Agnomen). Pain (2006) found, that the more the consumers are aware regarding the societal and Environmental issues the more they are involved in pro-social and pro- environmental behavior. If consumer is environmental conscious he or she is willing to pay more of environmental friendly product. In a study carried out by Bowmen (2007) in India, a survey found that half of the sampled individuals said that they would be willing to pay 10 per cent more for products that are environmentally friendly.

In the case of the Chinese consumers, however, the results show that they are less generous than those in other countries in terms of their willingness to pay for a green product. Though Chinese consumers display a strong attachment to nature, Chant (1999) found that they are only willing to pay 4. Percent more for an environmentally friendly product. Their US counterparts, on the other hand, said they were willing to pay up to 6. 6 per cent more for the same product. From the above discussion hypothesis can be formed as: HA: Environmental awareness is positively associated with consumers' green purchasing Behavior. ) Environmental concern and attitude Crosby, Gill and Taylor (1981) mentioned that environmental concern is a strong attitude

towards preserving the environment. Attitudes are defined as the enduring positive or negative feeling about some person, object, or issue. In fact, it refers to the information a person has about a person, object, or issue (In-house, 1991). The social psychology literature on behavioral research has established attitudes as important predictors of behavior, behavioral intention, and explanatory factors of variants in individual behavior (Kitchen & Reeling, 2000).

In many studies both these factors have been found to be important/significant predictors of consumer pro- environmental behavior. According to Schultz and Sleazy (2000), “ attitudes of environmental concern are rooted in a person’s concept of self and the degree to which an individual perceives him or herself to be an integral part of the natural environment”. The quality of the environment depends critically on the level of knowledge, attitudes, values and practices of consumers (Mansards and Babbage, 1998).

Attitudes are the most consistent explanatory factor in predicting consumers’ willingness to pay for green products (Conga et al. , 2006). In conclusion, attitude represents what consumers like and dislike (Blackwell et al. , 2006) and consumers’ product purchasing decisions are often based on their environmental attitudes (Ireland, 1993; Sweeper ND Cornwall, 1991) For example, an individual’s concern level as to environmental issues has been found to be a useful predictor of environmentally conscious behavior, I. E. Cycling behavior (Arbitrator and Align, 1975; Keller and Wood, Donation and Fitzgerald, 1992; Kerr, 1990; Ottoman, 1993; Schoolhouse, 1992). Other Studies include, for example, that of Brother and Mac Donald (1992) examining green cosmetics and toiletries and that of Barr, Ford and Gill

(2003) examining recycled packaging. Segueing, Paltrier and Huntley (1998) have argued that environmental concern can have a significant bearing on the degree to which individuals are motivated to change behavioral practices so as to attempt to alleviate the problem.

In a number of studies, environmental concern has been found to be a major determinant of buying organic and green food (e. G. Grunter, 1993). Kim and Choc (2005) found that environmental concern directly influences green buying behavior. Similarly, many studies have specifically focused on the relationship between environmental attitudes and environmentally related behaviors. So from above discussion hypothesis can be proved as: HA: Environmental consciousness and attitude is related to consumer's buying behavior for CEO-friendly product. External factors Media, in an environmental marketing perspective, is crucial to delivering the proper information to consumers in order to strengthen individual and collective environmental consciousness (Iris et al. , 2006). Let not only helps to develop environmental awareness and concern but in doing so, it also allows consumers to act in accordance to their newfound, or heightened, sense of concern for the natural environment. Family is also considered as crucial determinant of environmental consciousness as it helps in building attitude and value of individuals in the family.

Works of gryphon (2006) on environmental consciousness helps to understand influence of family on environmental conscious behavior so from the above discussion hypothesis can be formed such as: HA: Environmental consciousness is determined by external determinants such Media, family. 6) Demographic and cryptographic factors Numerous studies mainly in the field <https://assignbuster.com/green-marketing-flashcard/>



of psychology have stated that variables such as age, gender, education, income, and political orientation can be very useful in explaining an individual's level of environmental consciousness and concern for the surrounding natural and social environments.

For example, some authors have suggested that younger, well educated, individuals are more likely to be environmentally aware and concerned than their older, less educated, counterparts. Other studies have shown that women with high income and education level shows high concern for environment (Broody et al. , 2004). In fact, the role of gender in the prediction of environmental concern and consciousness was previously confirmed in a 2001 study by Erasure, who stated that women are generally more environmentally aware than men.

The Health of the Planet Survey (Dunlap, Gallup and Gallup, 1993, Dunlap and Meting, 995) was conducted on wide range of environmental perceptions and opinions from citizen in economically and geographically diverse nations some factors which were considered as main determinants were population, lower education level toward found either a moderate relationship between environmental attitude and ecological behavior (e. G. Exalted and Lehman, 1993 and Smith et. Al, 1994) or a weak relationship (e. G. Berger & Carbon, 1992). Backfire et al. 2010) and Cornelius et al. (2008) also found in their studies that environmental attitude has a significant impact on consumer environmental/green purchasing behavior. From the above studies hypothesis can be formed such as: HA: Environmental concern and attitude positively influence consumers' green purchasing behavior. 7) Perceived Consumer Effectiveness (PACE) Perceived Consumer Effectiveness (PACE)

refers to the extent to which individuals believe that their actions make a difference in solving a problem (Ellen, Winner and Cob-Walgreen, 1991).

Accordingly, Kim and Choc (2005) argued, that individuals with a strong belief that their environmentally conscious behavior will result in a positive outcome, are more likely to engage in such behaviors in support of their concerns or the environment. From the above discussion hypothesis can be formed such as: HA: Perceived Consumer Effectiveness (PACE) has a positive association with consumers' green purchasing behavior. 8) Collectivism Individualistic or collectivist orientations have been found to influence a variety of social behavior.

McCarty and Serum (1994, 2001) found a positive impact of collectivism on consumer beliefs about recycling and their recycling behavior. This implies that collectivist persons are more likely to engage in recycling behaviors because they tend to be more co-operative, willing to help others, and emphasize group goals over personal ones. So, Kim and Choc (2005) concluded that collectivism has an influence on the consumers' green buying behavior. So, from the above discussion hypothesis can be proved that collectivism has influence on consumers' green purchasing behavior.

HA: Collectivism has positive influence on consumers' green purchasing behavior. 9) Availability of product information and product availability and price of the product Empirical evidence shows that consumers' difficulty in locating environmentally directed products is partly due to a lack of information (Brown and Whalers, 1998). Some studies have identified that a lack of green and organic food availability in store is considered as one of the

barriers to consumer purchase (Byrne et. Al, 1991; Davies, 1995). Mariner et al. 1997) also argued that the reason why the consumers' environmental consciousness lagged behind the pro-environmental behavior is the inadequate availability and marketing of the environmental friendly 10) Environmental characteristic of product and adverse affect of Green washing on customer's purchasing behavior The perceived environmental characteristics of a product, which is largely dependent on the efficiency of the branding and immunization strategies, is proposed to be a determinant of consumers' willingness fundamental role in product perception.

In the marketing sphere, we are often reminded that companies have the difficult task of finding new, innovative, ways to communicate the environmental and economic benefits of their products to their consumers in order to generate pro-environmental behavior (Gang and James, 2007). Organizations would be advised to put more emphasis on long-term economic gain effects and creatively communicate their unique proposition over competitors to consumers (GIG-Du Gang and Jeffrey James, 2007).

Only those individuals with a heightened sense of environmental consciousness and responsibility for their natural surroundings will purchase products regardless of their aesthetic, qualities, and price (Bobble and Administrations). Some time it happens that firms pretend to be environmental friendly. Here we will discuss practice of " Green Washing"( is all about painting ' brown' products with a ' green' hue through vague, incomplete, unsubstantiated and inaccurate environmental claims or where there are negligible (if any) benefits. ) which is sometime used by many firms. A survey of Australian products between

Novembers and January 2009 found that only five did not engage in some form of green wash, while a survey of 2, 219 products in North America during the same period found that 98 per cent of the products involved green washing. Green washing has serious consequences including undermining consumer confidence and trust in genuine “ green marketing” (It refers to the making of claims about the environmental impacts of goods, services or a business’s own practices such as renewable energy use and in-house waste and pollution reduction programmers). Thus Green Washing has negative influence on customer’s purchasing behavior. The Indian market. B) Effect of Green purchasing behavior of consumers on marketers Due to increased consciousness about purchase of “ Green Products”( The products those are manufactured through green technology and that caused no environmental hazards are called green products) by consumers marketers emphasize on production of Green Products which serve value to the consumers and marketers also emphasize on distribution of this products through “ green supply chain”( This process involves extraction and exploitation of the natural resources ( Sacristans, 2007) during whole distribution process).

So marketers have started emphasizing on producing products which are originally grown, recyclable, reusable and biodegradable, Products with natural ingredients, products containing recycled contents, non-toxic chemical, Products contents under approved chemical, Products that do not harm or pollute the environment, Products that will not be tested on animals, Products that have CEO-friendly packaging I. E. Reusable, refillable

containers. To deliver the product to the end-consumers marketers choose Green supply chain management.

The growing importance of SCM is driven mainly by the escalating deterioration of environment, e. G. Diminishing raw material resources, overflowing waste sites and increasing level of pollution. However, it is not just about being environment friendly; it is about good business sense and higher profit. The supply chain “ system” includes Purchasing and In-bound Logistics (materials management), Production, Outbound Logistics (physical distribution & Marketing), and Reverse Logistics.

Many manufacturing supply chain enterprises considered or initiated some SCM practices such as investment recovery, CEO-design . CEO-design is considered as integral part of supply chain because it focuses on technical improvements on product and processes to mitigate environmental cost. However, the success of CEO- design requires internal cross functional cooperation among intra-organizational units within a company as well as cooperation with outside partners throughout the supply chain. However, investment recovery and development of recycled material markets in India have not received much attention.

That is to say the maturation of the manufacturing product market is still progressing and has yet to create a critical mass to be economically worthwhile for development of a used parts market. However, a regulated manufacturing product take-back system has been in operation in India. These take-back system forces manufacturers to consider environmental effects in the whole life cycle, and thus providing motivation for

organizations to further pursue SCM practices and closing the manufacturing supply chain loop.

Thus, SCM practices have emerged as a systematic approach within the manufacturing industry in India to balance the economic and environmental sustainability of firms. practices: CASE STUDY 1) Best Green IT Project: State Bank of India: Green [email protected] By using CEO and power friendly equipment in its 10, 000 new Tams, the banking giant has not only saved power costs and earned carbon credits, but also set the right example for Others to follow. Sub is also entered into green service known as “ Green Channel Counter”.

SIB is providing many services like; paper less banking, no deposit slip, no withdrawal form, no checks, no money transactions form all these transaction are done through SIB shopping & ATM cards. State Bank of India turns to wind energy to reduce emissions: The State Bank of India became the first Indian bank to earners wind energy through al 5-megawatt wind farm developed by Solon Energy. The wind farm located in Combaters uses 10 Solon wind turbines, each with a capacity of 1. 5 MM. The wind farm is spread across three states – Tamil Nadia, with 4. MM of wind capacity; Maharajah’s, with 9 MM; and Gujarat, with 1. MOM. The wind project is the first step in the State Bank of Indian’s green banking program dedicated to the reduction of its carbon footprint and promotion of energy efficient processes, especially among the bank’s clients. 2) Indian Oil’s Green Initiatives Indian Oil is fully geared to meet the target of reaching EURO-III compliant fuels to all parts of the country by the year 2010; major cities will upgrade to Euro-IV compliant fuels by that time.

Indian Oil has invested about RSI. 7, 000 core so far in green fuel projects at its refineries; ongoing projects account for a further RSI. 5, 000 core. Motor Spirit Quality Improvement Unit commissioned at Mature Refinery; similar units are coming up at three more refineries. Diesel quality improvement facilities in place at all seven Indian Oil refineries, several more green fuel projects are under implementation or on the anvil. The R&D Centre of Indian Oil is engaged in the formulations of CEO-friendly biodegradable lube formulations.

The Centre has been certified under ' SO-14000: 1996 for environment management systems. 3) Lemon Tree hotel's green initiatives Committed to a healthy, happy earth, Lemon Tree Hotel-located across India from Surgeon to Bengal has implemented many CEO-friendly processes for energy and water preservation, responsible waste management as well as measures to control water, noise and environmental pollution. CEO-friendly practices of Lemon Tree hotel are described as below: Energy Conservation.