

# The Role of Green Marketing and How it Effects on Consumers in FMCG Sector

Gopaldas Harinath<sup>1</sup>, R. Venkateswar Rao<sup>2</sup>

<sup>1,2</sup>Department of Business Management, University College of Arts, Osmania University, Hyderabad, Telangana, India

**Abstract:** *The research study is on green marketing but exactly on customer's preference & the factors that effect on purchasing an eco-friendly product. Green marketing is a process of producing environment friendly product. Such type of products those are safe from different hazards. Now a days Green marketing is exploring day by day. The eco-friendly products are making by many companies in Globe. Our Purpose of this study is basically to identify that what kind of factors influence the green purchase intentions of consumer of Hyderabad. Four preceding factors influence the consumer's purchase intentions based green marketing. By using self-administered questionnaires we collected data from our 160 respondents. For regression analysis we entered all that data into SPSS and do analysis also. Results of our study show significant relationship of green purchase attitude. It has been the universal apprehension for the purpose of the protection of the poisoning and degradation of environment. This research has been undertaken to explore the importance of green marketing and relationship to the attitude and purchasing behaviour of the consumers of eco- friendly products. The objective of this research was looked into and travelled the persuading of the four old-style marketing-mix elements, satisfaction and purchasing intentions of consumers on environmental products precisely fast moving consumer goods (FMCG) or non-durable ones. The determination of the study was to obtain data from consumers' point of view. A qualitative questionnaire was divided among sub groups cover 10-15 respondents. Furthermore, convenient sample was used as the sampling method. Our results showed that how customers are satisfied or their preference of green marketing and the factors that influence a customer to purchase a green brand such as; benefits, point of purchase (POP) & certification However, that positive in solences towards green products do not always lead to action buying of these products.*

**Keywords:** Green Consumers, Green Pricing, Green Product, Green Promotion and Green Marketing

## 1. Introduction

As an entire society focuses more on the environment and recognizes itself as a green consumer group, companies try to organize their work more greenly. However, it seems to be not easy: many problems are a challenge for them. Here, without being exhaustive, this research is looking to some of these problems, which should be handled by marketing managers.

Green marketing has rose attention due to the environmental deterioration and it becomes global problem. According to American Marketing Association Green Marketing interprets three definitions; "Product development and marketing is the product of the sales of products that are susceptible to environmental degradation", "product development and marketing are designed to reduce negative impacts or improve the quality of the product", and "environmental problems Organization that manufacture, promote, pack and refinish products that are sensitive or responsive attempts " (H. Bui, 2011).

Attributes, qualities and characteristics of green things are introduced with the help of green marketing and green awareness. So, green marketing and attentiveness for the public that guides them to buy eco-friendly products. This plays an important part to user actual buying intention to buy environmental friendly goods. To fulfil buyer's environmental necessities green advancement includes actions to develop distinctive, rating and promoting goods and services. Green consumers have become a dynamic force behind how companies do business; these ecological customers are creating a new economy around the world. Certainly, the "green consumer" concept was the epicentre of the environmental marketing strategies as well as a key

concept, on which prominent marketing academicians and professionals focused. If people have trust in green products so intention makes behaviours of the users. Trust decreasing the perceived risk and so the sale is maximized with creating green intention. Environmental responsibility is also a vital factor. If the society is ecologically liable then they have high green purchase intention. Green marketing has picked up motion due to continuous rise of growing global concern about ecological quality. GPIN means intension to purchase product or services which are not or less harmful for environment. GPIN is the voice of consumers' heart to purchase the environmental friendly products to save the atmosphere. This study has independent that how much independent variables impact on dependent variable.

## 2. Literature Review Green Purchase Intention

Intentions defined as consumer's specific purpose in performing an action or series. Green purchase intention (GPI) is simply defined as an intention of a customer to buy a product which is less or not unsafe for the society and environment. We can also say it is an internal desire and willingness of the people to buy a fewer harmful and eco-friendly product. It is describe by the consumer's cautious selection of the products that are environmentally beneficial. In this study we also said that GPI is an individual's intention to consumption the products that are not harmful for the environment and humanity. According to (Chen, 2011) the pollution and other environmental issues that are being produced, the society and public are taking more seriously noticed about such issues. Green purchase intention significantly influences the green purchase behavior. People are much conscious about the environmental problems, many customers have

Volume 12 Issue 9, September 2023

[www.ijsr.net](http://www.ijsr.net)

Licensed Under Creative Commons Attribution CC BY

environmental beliefs and they are willing to purchase green products that have less harmful impact on the environment (Peattie, 1995).

To achieve the consumer's environmental beliefs the marketers and manufacturers needed to change their manufacturing and business models (Chen, 2010; Rizwan et al., 2013). GPI mentions the eagerness expressed by the consumer to act for the benefit of the environment. If buyers have had a trust experience with the seller, they would possess a higher level of purchase intentions. By the analysis of previous studies we easily determined that there is a developing trend in the people to use such products that are less harmful for the environment. Even they are willing to pay more for such products, which have less effect on the environment. If consumers perceive that the value of a product is higher, they are more likely to purchase the product.

### **Green Purchase Attitude**

Attitude is a person's increasingly satisfactory or unsatisfactory valuations, trends and feelings toward an object or intimation Armstrong and Kotler (2009). According to Eagly and Chicken (1995) with some degree of favor or disfavor attitudes is a psychological trend that is expressed by evaluating a particular object. Chen (2009) trusts that ecological attitudes governs a person's attitude on the way to organic foods and if a person is govern to become better, he or she will shows a positive attitude. Swait and Sweeney (2000) stated that perceived value associated with customer attitude. The attitudes are predilections to respond leads towards actual consumer behavior.

Philosophy of Rational Action states that consumer attitude influences the consumer purchase behavior (Ajzen and Fishbein, 1980). Marketing practitioners along with academicians struggle to investigate attitudes of consumers for green products and their needs for green product (D'Souza et al., 2005; Rizwan et al., 2013). The research has explained the relation of intention, attitude and behavior which shows that actions of people are in accordance with their intentions (Ajzen, 1985, 1988; Ajzen and Fishbein, 1980). Usually the positive attitude, the stronger the intention to perform a behavior and vice versa.

The Fast Moving Consumer Goods industry covers the everyday stuffs that you purchase when shopping in the supermarket or a pharmacy. 'Fast moving' indicates that the items are quick to leave the abandons and also tend to be high in volume but low in cost stuffs. The products are ones that are important stuffs that we use day time in and day time out. This multi- million-dollar sector holds some of the most well-known brand tags that we come through every single day. FMCG companies are identified by their capability to give the consumer the products that are highly demanded, while also emerging a relationship with them that contains trust and loyalty. FMCG is the majority of household appliances used in cleaning and washing machines, most of the recyclable pharmaceutical, food and personal care services. However, fast-moving consumer goods, such as plastics, stationary, pharmaceuticals and consumer electronics, have been placed.

Green marketing has rose attention due to the environmental deterioration and it becomes global problem. At present, Green Marketing interprets three of the American Marketing Association (AMA) (marketingpower.com). "Product development and marketing is the product of the sales of products that are susceptible to environmental degradation", "product development and marketing are designed to reduce negative impacts or improve the quality of the product (definition of social marketing) and, finally, "environmental problems Organization that manufacture, promote, pack and refinish products that are sensitive or responsive Attempts " (H. Bui, 2011). Companies have using green marketing for many reasons such as green policies are profit- making; the business world is more and more implicated in the social responsibilities. Furthermore, consumers have been changing of attitudes and due to the government and the competitive pressures it is essential for firms to consider the "green" adjective to marketing strategies.

### **3. Research Methodology**

The current research is descriptive in its nature. Descriptive research can be explained as describing something, some occurrence or any particular situation. Descriptive researches are those researches that describe the existing situation instead of interpreting and making judgments (Creswell, 1994). The main objective of the descriptive research is verification of the developed hypothesis that reflects the current situation. This type of research provides information about the current scenario and focus on past or present for example quality of life in a community or customer attitudes towards any marketing activities (Kumar, 2005).

#### **Sample Data**

In order to collect the data for understanding the situation about the purchase intentions of green products, a sample of 160 respondents were asked to participate in a self-administered questionnaire. The population for the current research is consumer in Hyderabad. The current study exploits a nonprobability sampling technique that is ease sampling. Convenience sampling is a sampling technique that obtains and collects the relevant information from the sample or the unit of the study that are conveniently available (Zikmund, 1997). Convenience sampling is normally used for collecting a large number of completed surveys speedily and with economy (Lym et al, 2010).

It is ensured that the sample members possess two main qualifications to participate in the self-administered survey. First, the sample members should have enough knowledge about green marketing; secondly, they have a regular purchasing pattern of buying some green products, it definitely influences the attitude and behaviour of the respondent.

#### **Instruments and Measures**

The survey instrument of the current study address two major purposes: First is to analyse the relationship of different variables in the adoption of green marketing. Second, to collect information about the different characteristics of the respondents that can be used to understand the variations in different categories.

The survey instrument contains two sections. Section 1 includes different personae and demographic variables. This section will obtain the respondent’s information about gender, age, income and education. Section 2 includes the latent variables that are important in the current study. These variables include green purchase intention, green purchase attitude, green perceived value, green perceived trust and ecological knowledge. This section of study is developed based on the past literature and already used questionnaires. The scales of the study were adopted from the previous

literature and published studies. The first variable of the study was Green purchase intention having four items taken from Chang and Chen (2008). The next variable is Green perceived Trust having five items that was taken from the study of Chen (2010). The next variable Green perceived Value refers to Patterson and Spreng (1997). The next variable Green purchase Attitude refers to Armstrong and Kotler (2009), attitude is a person’s steadily satisfactory or unsatisfactory assessments. Eco knowledge variable refers to (e.g. Hoch and Deighton 1989).

**Table 1:** Scales of the Study

No	Variable	Items	References
1.	Green Purchase Intention	1) I would intend to buy green products. 2) My willingness to buy green products is high. 3) I am likely to purchase any green product. 4) I have a high intention to buy green product.	Bolton, R. N. and Drew, J.H. (1991),
2.	Green Purchase Attitude	1) Green practice is good. 2) Green practice is useful. 3) Green practice is rewarding. 4) Green practice is sensible. 5) Green practice is responsible.	Swait and Sweeney (2000)
3.	Green Perceived Value	1) Green product’s environmental functions provide very good value for you. 2) Green product’s environmental performance meets your expectations. 3) Your purchase to green products because they have more environmental concern than other products. 4) Your purchase to green products because they have environmental friendly. 5) Your purchase to green products because they have more environmental benefits than other products.	Chaudhuri, A. (1997),
4.	Green Perceived Trust	1) You feel that green product’s environmental reputation is generally reliable. 2) You feel that green product’s environmental performance is generally reliable. 3) You feel that green product’s environmental claims are generally trustworthy. 4) Green product’s environmental concern meets your expectations. 5) Green product’s keep promises and commitments for environmental protection.	Chen, Y.-S. (2008a),
5.	Ecological Knowledge	1) It is necessary to have knowledge about environment. 2) Ecological knowledge has influence on green 3) This knowledge of product is an effective way about green products. 4) Consumers with higher eco knowledge have higher green purchase intention.	Arbuthnot and Lingg (1975)

**4. Procedure**

The questionnaire was distributed among 160 respondents in Balanagar City of Hyderabad. These respondents are selected based on the criteria above mentioned. Before giving the questionnaire, the purpose of the study and questions were explained to the respondents so they can easily fill the questionnaire with relevant responses. A total of 160 questionnaires selected. After collecting, the completed questionnaires were coded and entered into SPSS sheet for further analysis.

**5. Reliability Analysis**

Overall Cranach’s alpha of Green Marketing questionnaire items were 0.890 that is more than acceptable. This shows that all the 23 items were reliable and valid to measure the opinions of consumers towards Green Marketing.

**Table 2:** Reliability of Measurements Instrument

Scales	Items	Croubach Alpha
GreenPurchase Intention	4	0.743
Green Purchase Attitude	5	0.738
Green Perceived value	5	0.667
Green Perceived trust	5	0.637
Ecological Knowledge	4	0.641

**6. Results and Analysis**

**Profile of the Respondents**

Personal and demographic information of the respondents is presented in the following table.

**Table 3**

Variable	Category	Frequency	Percentage
Gender	Male	73	46
	Female	87	54
Age	15-20years	20	13
	20-25years	87	54
	25-30years	40	25
	30-35years	8	5
	35-40years	2	1
	Above40years	3	2
Income	Below15000	50	31
	15000-25000	40	25
	25000-35000	35	22
	35000-45000	12	8
	45000-55000	5	3
	Above55000	18	11
Education	Matriculation	-	-
	Inter	10	6
	Bachelor	67	42
	Master	70	44
	MS/M.Phill	12	8
	PHD	1	1

### Hypothesis Testing

This section of the study finally tests the model after satisfying the requirements of reliability and validity. The casual relationships of the independent variable were measured on dependent variables.

### Green Purchase Attitude and Green Purchase Intention

According to the results of this study, the variable of Green purchase attitude has a significant positive relationship with green purchase intention. Specifically, this variable has a significant positive relationship with (Beta=.587) and ( $p < 0.01$ ). That means the Green purchase attitude more than 50% to green purchase intention. Results of the current study validate the H1.

### Green Perceived Value and Green Purchase Intention

The regression results of the study confirm the significant positive relationship between Green perceived value and Green purchase intention with (Beta=.140) and ( $p < 0.01$ ). According to these results, Green perceived value contributes more than 14% to Green purchase intention. This result of study validates H2.

### Green Perceived Trust and Green Purchase Intention

Regression analysis of the green marketing model shows that there is a significant positive relationship with (Beta=.130) and ( $p < 0.01$ ). The results suggest that Green perceived trust almost 13% more than Green purchase intention. The result of the study support H3.

## 7. Discussion

This study provides an approach about GPI, GPA, GPV, GPT and EK to start the building process of purchase intentions in the background of environmental management. This study develops a research framework of green purchase intentions to further analyze its associations with GPV, GPA, GPT and EK. The experiential outcomes show that GPV positively relates to GPIN. This study has five major academic contributions. First, this study makes a new research framework of GPIN by combining the two concepts relationship marketing and green marketing. The second contribution is that when the consumers are forced in compromising on product's features and product's greenness, they are not ready to sacrifice their needs and requirement for the sake of greenness and environment. This study develops a research framework that explain this issue by studying the different concepts, the product greenness, product perceived value and product purchase attitude to increase people's purchase intentions of ecological needs under the context of customer uncertainty. Third, this study shows that the relationship between GPIN and its two independent variables GPV and GPA, GPT is discussed as another variable among EK and GPIN. Fourth, this study explains the research of Perceived value and purchase intention in the context of green marketing. In this study we discuss about the intentions of consumers about green products. Green purchase intention is basically the choice of a buyer about green products. This study tells us about positive effect of intention about green products. Buyer's behavior affects the buyer's attitude. In this study attitude will be theorized as a single aspect. GPI refers to the willingness stated by the consumer to act for the benefit of

the environment Green purchase attitude has a direct and positive influence on consumers green purchase intention. Green perceived value is basically the performance and assistance of a product in customer's mind. Now a day's many companies are improving their values and working on green marketing. Green perceived value has direct effect on purchase intention. We mostly rely on perceived value and trust of green consumers. Green trust is also an important factor in green marketing and it has a direct effect on green purchase intention. Trust is basically begun from belief, honesty, generosity and skill. Consumer trust is an antecedent of customer purchase intentions. These are the important factor that directly effect on purchase intention on customers. Past literature theorizes that customer trust is a element of consumer purchase intentions.

## 8. Conclusion

As an environmental issue continue to affect human activities, society is now regards them with much concern. Most companies have started using supportable growth framework which is known as green marketing and most of the organizations have recognised green products which are ecologically friendly. Advertising supervisors can use green marketing to receive incomes. In count, green marketing is clever to reservation the atmosphere while nourishing customers' needs. Consequently, green marketing is a device now used by many companies to increase their modest advantage as people is presently very anxious about environmental issues. In the time spread over green marketing, the companies have to obey with the consumers' needs and wants. Consumers want to identify themselves with corporations that are green compliant and are willing to pay more for a greener life style. For this reason, green marketing is not only an eco-friendly shield tool but also a marketing strategy. Other than that, marketers can offer training to their workers, especially sales representative. This is to give them knowledge on how to endorse the green product efficiently by evidently hand over the main message to the consumers.

## 9. Recommendation

Green awareness is on the rise, and the demand for eco-friendly products is developing. At the same time, buyer prospects are also receiving bigger. All consumers remain primarily worried with finding products that are the right balance of quality and price. Through better marketing of environmental and green benefits and by violent pricing, producers and marketers will be best able to position their products and gain market share in this important new segment. The study recommends that pro-environmental nervousness is a likely judge of green buying behaviour. Also, consumers wish for eco-friendly products and therefore the right mix of eco-friendly products and facility, promotion, PR and organization know-how is needed to target and fascinate the consumers who may be ready to buy eco-friendly products.

## References

- [1] D'Souza, C., Taghian, M. & Lamb, P. Public

- environmental consumerism: Recycling behaviour and its impact on intentions to purchase green products. Proceedings of the 30<sup>th</sup> Annual Macromarketing Conference. 2005, 28-May31, St Petersburg, Florida.
- [2] Bolton, R. N. and Drew, J.H.(1991),“A multistage model of consumers’ assessment of service quality and value.”*Journal of Consumer Research*, 17(4), 375-84.
- [3] Sweeney, J. C., Soutar, G. N .and Johnson, L. W. (1999), “The role of perceived risk in the quality-value relationship: A study in a retail environment.”*Journal of Retailing*,75(1),77-105.
- [4] Steenkamp, J.B. E. M. and Geyskens,I.(2006),“How country characteristics affect the perceived value of web sites.”*Journal of Marketing*, 70(3), 136-50.
- [5] Zeithaml, V.A. (1988), “Consumer perceptions of price, quality, and value: a means-end model and synthesis of evidence”. *Journal of Marketing*, 52(3),2-22.
- [6] Zhuang, W., Cumiskey, K.J., Xiao, Q. and Alford, B.L. (2010), “The impact of perceived value on behavior intention: an empirical study.”*Journal of Global Business Management*,6(2),1-7.
- [7] Schurr, P. H. and Ozanne, J.L. (1985),“Influences on exchange processes: buyers’ preconceptions of a seller’s trustworthiness and bargaining toughness.” *Journal of Consumer Research*, 11(4),939-953.
- [8] Hart, P. and Saunders, C. (1997), “Power and trust: critical factors in the adoption and use of electronic data interchange.”*Organizational Science*, Vol.8(1), 23-42.
- [9] Lee, J., Park, D.-H. and Han, I. (2011), “The different effects of online consumer reviews on consumers’ purchase intentions depending on trust in online shopping malls: an advertising perspective.”*Internet Research*,21(2), 187-206.
- [10] Harris, L. C. and Goode, M. M.H.(2010),“Online service scapes, trust, and purchase intentions.” *Journal of Services Marketing*, 24(3), 230-43.
- [11] Schlosser, A.E., White, T.B. and Lloyd, S.M. (2006), “Converting web site visitors into buyers: how website investment increases consumer trusting beliefs and online purchase intentions.”*Journal of Marketing*, 70(2),133-48.
- [12] Vander Heijden, H., Verhagen, T. and Creemers, M. (2003), “Understanding online purchase intentions: contributions from technology and trust perspectives.” *European Journal of Information Systems*, 12(1), 41-48.