

## GREEN MARKETING: IMPACT OF MARKETING MIX ON CUSTOMERS PURCHASE INTENTION IN CHENNAI CITY

Dr. T. V. Ambuli<sup>1</sup>, Dr. R. Vijayalakshmi<sup>2</sup>, Dr. J. Lalitha<sup>3</sup> and Mr. R. Surendher<sup>4</sup>

<sup>1</sup>Associate Professor, Department of Commerce, SRM Institute of Science & Technology, Ramapuram, Chennai

<sup>2,3</sup>Assistant Professor, SRM Institute of Science & Technology, Ramapuram, Chennai

<sup>4</sup>Assistant Professor, Department of Management Studies, Jerusalem College of Engineering, Chennai

### ABSTRACT

*In the modern era of globalization, it has become a great challenge for any organization to keep their consumers as well as customers in fold and keep our natural environment safe which is that the biggest need of the hour. The growing social concern for the environment has emerged as a key concept in Marketing – Green Marketing including broad range of activities viz Product Modification, changes to the distribution process, packaging changes as well as modifying advertising. The changing consumer's preferences concernedly for future generations and results of human activities require enterprises to possess new decisions and artistic ways of making competitive edge up the market. The purpose of the present study was to find the association of Green Marketing in terms of Price, Product, Place and Promotion on purchase decision and to identify the factors influencing the Green Marketing strategies. The study adopted a descriptive research design to accomplish the set objectives. A sample of total 162 respondents was selected using convenience sampling method. Data were collected using a structured questionnaire with the help of literature review. The Data were analyzed using statistical techniques such as Descriptive statistics, Regression on SPSS version 26 and weighted average done in excel. The results indicated that there is an impact of Green Marketing strategies in terms of Price, Product, Place and Promotion on consumer purchase decision and the reason for companies switching to Green Marketing strategies is to increase their Profit Margin followed by shifting consumer preference towards organic and environmental friendly products. Therefore Companies can adopt green marketing because consumers are nowadays focusing on green products and services. and producing green products have less harmful effects on the environment, than the conventional products.*

*Keywords: Green Marketing strategies, Eco friendly products, consumer behavior, Regression.*

### 1. INTRODUCTION

Over the past decade consumers have become more informed about environmental issues. Green marketing means selling products or rendering services based on environmental benefit. Green marketing came into existence during post 1980s and early 1990s. Green marketing is booming and consumers are willing to pay a lot for a green product. Few analyses of the impact of this new technology have been carried out. Green marketing affects all sectors of economy, it not only leads to the protection of the environment, but it also creates new markets and new employment opportunities. Companies that are focused on environmental stand have a chance of gaining many satisfied and loyal customers.

#### 1.1 Green Marketing

The American Marketing Association (AMA) held the first workshop on ecological marketing in 1975[1]. 1980 was the first time green marketing came into existence. AMA defines green marketing as the marketing of products that are presumed to be environmentally safe, it incorporates several activities such as product modification, changes to production processes, packaging, advertising strategies and also increases awareness on compliance marketing amongst industries[2]. Business Dictionary defines green marketing as promotional activities aimed at taking advantage of changing consumer attitude towards a brand. These changes are increasingly influenced by the policies and practices of an enterprise that affect environmental quality and reflect the level of its concern for the community. It can also be seen as the promotion of environmentally safe or beneficial products[3].

#### 1.2 Businesses and Green Marketing

The primary objective of any companies is to their business into the path of profitability but it is too hard for companies with the sole objective of making profit to obtain sustainability. But not limited to they also feel motivated when they are offering a valuable service to their customers, and they pride themselves on doing the best job possible. Companies should remember of their responsibilities towards the environment and therefore the society within the same way as towards clients, shareholders and employees. In the process of taking these decisions, the priority of business people should be supported the principal of protecting the environment instead of profitability of the business. In fact, companies are increasingly designing new solutions to satisfy the new environmentally conscious trends within the overwhelming majority of markets. Environmental sustainability may be a precise corporate strategy that was created both to satisfy the requirements of increasingly attentive consumers and for ethical reasons, additionally to a progressively stringent regulatory framework on these aspects.

#### 1.3. Green Marketing in Terms of Price, Product, Place and Promotion

Green Marketing begins with 'green design'. Product design constitutes an active interface between demand (consumers) and supply (manufactures). Superconcentrated laundry detergents are associated with energy saving,

reduced packaging, space and money. The product itself has to be made in such a way that it satisfies consumer and manufacturer's needs given by Ottman and Terry[4] ; Most buyer decisions are influenced by the labeling, (green labeling) that states all that creates the merchandise green compliant. The worth of green product has got to be affordable for the customer to encourage purchase. Industrial differentiation works only products reduce client's cost. Consumers are influenced by green advertisement that reflects a company's commitment to environment [3]. Green distribution is a very delicate operation which involves eco friendly distribution, saves energy, less air pollution during distribution.

**A. Green Product** While developing the green products, companies must ensure that they reduce the pollution and overall resource consumption and they must focus on increasing the conservation of scarce natural resources. Green product includes eco-friendly products, packaging, labeling, branding in all the product lines and individual products or services offered by a company.

Green Toys are safe for kids and the environment as they are made from 100% recyclable materials. Nearly 99% of paper and board used for packing the products in few companies.

**B. Green Pricing.** Environmentally friendly products usually have a high value thanks to the increased cost of sustainable design. However, customers are still willing to buy them despite the high costs[5]. LED bulbs are more costly than the conventional bulbs. Similarly hybrid cars and electric cars are relatively more costly than conventional automobiles. Thus it becomes more logical to state that green technology is not cost effective. Rather green pricing differs industry to industry. Therefore, if you charge high prices for your eco products, ensure to communicate specifics to prove that your goods are worth their price its price should never be demotivating.

**C. Green Place:** Place defines the availability of the products and distribution channel or distribution network so the marketers should opt an ideal way to make such products available as it will have a great impact on the customers. The process involved in transferring products from the producer to the consumer is known as physical distribution [6]. Green place in that sense can be anything which minimizes the customer and the manufacturer's effort in acquiring and selling a product respectively. Many firms now-a-days follows Intensive Distribution, Selective Distribution, Exclusive Distribution and have started selling their products through automated vending machine & online. This really cuts down the customer's cost to practically visit a market place, select a store and then purchase the product.

**D. Green Promotion:** The organizations have to consciousness on growing commercials that sell a greener and green life-style via way of means of highlighting a product or service and advertisements that depict a positive corporate image of environmental responsibility. Moreover, advertisements that highlight a relationship between the green product and the environment as a whole also fall under the promotion element of the green marketing mix.

#### **Glimpse of Green Marketing in India**

1. Colgate became the first mass-market brand to launch recyclable toothpaste tubes in India. In partnership with EPL Ltd, Colgate-Palmolive (India) Ltd, has started manufacturing recyclable tubes for Colgate Vedshakti toothpaste and Colgate Active Salt portfolio.
2. Hindustan Unilever has initiated vending machines for its home care products enabling customers to refill bottles of Surf Excel, Comfort and Vim as piloted which aims to eliminate packaging altogether in the near future.
3. Honda India introduced its Civic Hybrid car.
4. ITC has introduced Paper Kraft, a premium range of eco-friendly business paper.
5. Indusland Bank installed the country's first solar-powered ATM and thus brought about an eco-savvy change in the Indian banking sector
6. Nestlé Milo and Royal Challengers Bengaluru are joining hands in IPL to bat for our environment, with the launch of paper straws for the Milo beverage packs. These paper straws are responsibly sourced from renewable sources and certified by the Forest Stewardship Council (FSC). We have also made this transition for the packs of our Nescafé range of cold coffees.”
7. Samsung, was the first to launch eco friendly mobile handsets (made of renewable materials) – W510 and F268- in India.
8. Wipro Info tech (Green It) was India's first company to launch environment friendly computer peripherals

#### **2. NEED & SOPE OF THE STUDY**

- Companies have to work for the betterment of society due to the changing environmental conditions with the assist of green marketing and ethical product.
- Now a day's industries are run out of limited resources they have to find alternatives to satisfy needs of the consumers.
- To find the effect of regime regulatory push behind these initiatives by brands.
- To identify the consumer perception about green marketing strategies.

#### **3. OBJECTIVE OF THE STUDY**

- To find the association of Green Marketing in terms of Price, Product, Place and Promotion on purchase decision
- To identify the factors influencing the Green Marketing strategies.

#### **4. REVIEW OF LITERATURE**

**Mansi Arora Akarsh Agarwal 2018** Therefore, the study “Strategic GREEN MARKETING and its implication by HINDUSTAN UNILEVER LIMITED” is relevant to know the various green marketing strategies adopted by the

company and Consumer's Preference for the Green Products. This study is also helpful for knowing the level of awareness, factors and list out consumers benefit in adopting Green Marketing Strategies[7]. 200 people of selected company (HUL) in AGRA city through Convenience Sampling Basis and applied the Weighted Mean and Percentage to achieve the objective of study. Their findings are Consumers have given so much importance to Green Marketing Strategies because they feel they can use a quality product but not at the stake of environment. a moderate level of Information is available to Consumers when they buy the products. However, very few people have said that there exists "No Information at all" when they buy the products **Hartmann et al.(2005)**, state that emotional brand benefits are the significant factor motivating consumers to change actual purchase behaviour to buy ecofriendly products Research study of **Rahul Argha Sen (2014)** tries to determine whether the consumer purchasing decisions in Kolkata are influenced by the green marketing practices undertaken by the companies. They took a sample of 100 respondents was selected in Kolkata and a questionnaire was distributed to collect the primary data. They did Descriptive Statistics (Mean, Standard Deviation and Percentile) and independent t-test with the help of SPSS version 20.0 have been used and establish the results of the study highlight that the consumer purchasing decisions in Kolkata are not influenced by the green marketing practices which was undertaken by the companies[8]. However, the consumers are willing to pay a premium price for the 'green' products, if these eco-friendly products provide an extra value to them. Thus, companies can command a higher price if they can enhance the product's performance and offer products that provide an extra value to the consumers

According to **Aysel Boztepe 2012** in his study aims to give information about the effect of green marketing on customers purchasing behaviors[9]. First of all, ethical and environmental problems, one of the reason why the green marketing emerged, are mentioned, and then the concepts of green marketing and green consumer are explained. According to the results of his study conducted on 540 consumers in Istanbul are evaluated statistically found that, Demographic characteristics have moderate affect on model and environmental awareness, green product features, green promotion activities and green price affect green purchasing behaviors of the consumers in positive way.

**Prothero, A. & Fitchett, J.A. (2000)** argue that greater ecological explanation can be secured through capitalism by using the characteristics of commodity culture to further progress environmental goals[10]. Marketing not only has the potential to contribute to the establishment of more sustainable forms of society also as a principle agent in the operation and proliferation of commodity discourse and has a considerable responsibility to do so. **Oyewole, P. (2001)** in his paper presented a conceptual link among green marketing, environmental justice, and industrial ecology. It argues for greater awareness of environmental justice in the practice for green marketing. A research agenda is finally suggested to determine consumer's awareness of environmental justice, and their willingness to bear the costs associated with it. **Karna, J., Hansen, E. & Juslin, H. (2003)** interpreted that proactive marketers are the most genuine group in implementing environmental marketing voluntarily and seeking competitive advantage through environmental friendliness. The results also give evidence that green values, environmental marketing strategies, structures and functions are logically connected to each other as hypothesized according to the model of environmental marketing used to guide this study[11].

In the words of **Prof. Jaya Tiwari**, Increasing awareness on the various environmental problems has led a shift in the way consumers go about their life. There has been a change in consumer attitudes towards a green lifestyle. People are actively trying to reduce their impact on the environment.. Green marketing is a phenomenon which has developed particular importance in the modern market and has emerged as an important concept in India as in other parts of the developing and developed world, and is seen as an important strategy of facilitating sustainable development. Their main emphasis has been made of concept, need and importance of green marketing. Data has collected from multiple sources of evidence, in addition to books, journals, websites and news papers. Finally explores the main issues in adoption of green marketing practices. The paper describes the current Scenario of Indian market and explores the challenges have wit

In order to achieve the goal of changing the consumers buying behaviour, marketers and organizations should focus on the ecological knowledge in their organizations as a whole, in their product offerings, and in their advertising campaigns. This will help to change the consumers purchasing behaviour in the desired manner given by **Mendleson (1994)**, According to **Naturalhaber, 2010** Turkish Airlines has stated "we achieved fuel savings and this saving reduced carbon emission" in a statement they made in October, demonstrating that the firm has a more low profile "temporary" approach.

## 5. RESEARCH METHODOLOGY

**Collection of Data:**The proposed research will be based on both – PRIMARY and SECONDARY DATA.

**Primary Data:**Primary data will be collected through questionnaires – consumer's survey would be done.

**Secondary Data:**The Secondary data will be collected from studies,internet, magazines, articles, reports and various research papers.

**Area of Study:**Chennai city.

**Sample Selection:**Simple Random Sampling Basis

**Population Size:**Infinity

**Sample Size:**Under the study, 162 people will be respondents.

**Tools of Analysis:**To achieve the objective of study the following tools will be used: •

1. Percentage

2. Regression
3. Weighted Mean

## 6. ANALYSIS

### 6.1. Descriptive Statistics

		Frequency	Percent	Cumulative Percent
Gender	Male	32	27.6	27.6
	Female	84	72.4	100.0
	Total	116	100.0	
Age	<30 years	64	55.2	55.2
	31–40 years	48	41.4	96.6
	Above 50 years	4	3.4	100.0
	Total	116	100.0	
Income (Per annum)	Less than 2 lakhs	48	41.4	41.4
	Between 2 and 5 lakhs	48	41.4	82.8
	5–10 lakhs	12	10.3	93.1
	Above 15 lakhs	8	6.9	100.0
	Total	116	100.0	
My purchase behavior is affected by the green marketing activities of the companies.	Strongly Agree	8	6.9	6.9
	Agree	67	57.8	64.7
	Neutral	17	14.7	79.3
	Disagree	24	20.7	100.0
	Total	116	100.0	
Willing to purchase more environmental friendly products	Strongly Agree	28	24.1	24.1
	Agree	68	58.6	82.8
	Neutral	4	3.4	86.2
	Disagree	16	13.8	100.0
	Total	116	100.0	
Willing to pay an extra price for the green products	Strongly Agree	12	10.3	10.3
	Agree	80	69.0	79.3
	Disagree	24	20.7	100.0
	Total	116	100.0	
Preferene to buy products online to avoid cost, Strongly Agreeee energy on physical visit in a market place,	Strongly Agree	24	20.7	20.7
	Agree	45	38.8	59.5
	Neutral	11	9.5	69.0
	Disagree	32	27.6	96.6
	Strongly Disagree	4	3.4	100.0
	Total	116	100.0	
Ads which displays the connection between the product and the environment influencing on my purchase decision.	Strongly Agree	8	6.9	6.9
	Agree	60	51.7	58.6
	Neutral	32	27.6	86.2
	Disagree	8	6.9	93.1
	Strongly Disagree	8	6.9	100.0
	Total	116	100.0	

### INFERENCE

Respondents' demographic characteristics are shown in above table and it showed that out of 162 respondents 27.6 % of the respondents were male and 72.4 % were female. In terms of age, 55.4 % of respondents are in less than 30 years of age and 41.4% of respondents are between 31 to 40 years. 3.4% of respondents are above 50 years. In terms of Income, 41.4% shared equally by both level of respondents earns less than 200,000 and Between 2 and 5 lakhs Rupees.57.8% of the respondents are agree that their purchase behavior is affected by the green marketing activities of the companies,58.6 are willing to purchase more environmental friendly products in hand with 69% of the respondents are willing to pay an extra price for those green products, whereas 38.8% of the respondents approaching green distribution and 51.7% of the respondents are influenced by the ads which had the connection between the product and the environment.

### 6.2. REGRESSION

- To find the association of Green Marketing in terms of Price, Product, Place and Promotion on purchase decision.

**H0:** There is no impact of Green Marketing strategies in terms of Price, Product, Place and Promotion on consumer purchase decision

**H1:** There is an impact of Green Marketing strategies in terms of Price, Product, Place and Promotion on consumer purchase decision

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.405a	.164	.134	.837	.164	5.436	4	111	.000

ANOVAa						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.233	4	3.808	5.436	.000b
	Residual	77.758	111	.701		
	Total	92.991	115			

Coefficientsa						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.260	.399		3.157	.002
	Willing to purchase more environmental friendly products	.273	.094	.277	2.909	.004
	Willing to pay an extra price for the green products	.045	.093	.046	.483	.630
	Preference to buy products online to avoid cost, save energy on physical visit in a market place	.193	.068	.257	2.825	.006
	Ads which displays the connection between the product and the environment influencing on my purchase decision.	.028	.084	.030	.332	.741

**INFERENCE**

Calculate value 0.000 which is less than significant value 0.05 hence null hypothesis rejected and alternate hypothesis accepted. There is an impact of Green Marketing strategies in terms of Price, Product, Place and Promotion on consumer purchase decision Therefore purchase behavior is affected by the green marketing activities of the companies. Consumers willingness to purchase more environmental friendly products influences most and Preference to buy products online to avoid cost, save energy on physical visit in a market place also has a greater impact on consumer purchase decision

**6.3. WEIGHTED AVERAGE**

To identify the factors influencing the Green Marketing strategies.

PARTICULARS	STRONGLY AGREE	AGREE	NETURAL	DISAGREE	STRONGLY DISAGREE	WA $Y = \frac{\sum (W \cdot X)}{\sum W}$	Ranks
To increase Profit Margin	x5	x4	x3	x2	x1		1
	70	156	28	8			
	w5=5	w4=4	w3=3	w2=2	w1=1	$\sum W=15$	
	x5*w5	x4*w4	x3*w3	x2*w2	x1*w1	$\sum W \cdot X$	
	350	624	84	16	0	1074	
						Y71.6	
Mandates from Government bodies	x5	x4	x3	x2	x1		4
	24	178	32	0	28		
	w5=5	w4=4	w3=3	w2=2	w1=1	$\sum W=15$	
	x5*w5	x4*w4	x3*w3	x2*w2	x1*w1	$\sum W \cdot X$	
	120	712	96	0	28	928	
						Y61.86666667	
Shifting consumer	x5	x4	x3	x2	x1		2
	42	192	28	0	0		

Preference	w5=5	w4=4	w3=3	w2=2	w1=1	$\sum W=15$	
	$x5*w5$	$x4*w4$	$x3*w3$	$x2*w2$	$x1*w1$	$\sum W*X$	
	210	768	84	0	0	1062	
To have competitive edge	x5	x4	x3	x2	x1		3
	30	194	22	16	0		
	w5=5	w4=4	w3=3	w2=2	w1=1	$\sum W=15$	
	$x5*w5$	$x4*w4$	$x3*w3$	$x2*w2$	$x1*w1$	$\sum W*X$	
	150	776	66	32	0	1024	
companies are Socially responsible	x5	x4	x3	x2	x1		5
	20	132	42	48	20		
	w5=5	w4=4	w3=3	w2=2	w1=1	$\sum W=15$	
	$x5*w5$	$x4*w4$	$x3*w3$	$x2*w2$	$x1*w1$	$\sum W*X$	
	100	528	126	96	20	850	

### INFERENCE

From the above table we can find that the reason for companies switching to Green Marketing strategies is to increase their Profit Margin which ranks 1 followed by shifting consumer preference towards organic and environmental friendly products, competitive edge ranks third, Mandates from Government bodies and companies are Socially responsible ranks 4 and 5 respectively.

### 7. SUGGESTIONS

There are some suggestion that an companies should implement for facing challenges of green marketing and successful exploitation of green marketing. the buyer must be educated and made conscious of the environmental threats. It should be made sure that the buyer is conscious of and anxious about the problems that your product attempts to deal with . Green Marketing campaign and green advertising is sweet step toward it. Consumers must be motivated to modify brands or maybe pay a premium for the greener alternative. Further steps should be taken to regulate false promise and claim by the marketer to take care of legitimacy and trustworthiness of green products.

Foreffective and efficient implementation of this idea of Green Marketing the factor that plays a serious role is that the Government. Unless the government creates specific and stringent laws and utilizes its authority to implement them, the concept can't be conceptualized. If the buyer, the Organization and therefore the Government add unison towards the common goal of minimizing the detrimental environmental impact of their activities, then they will surely save this environment and make this world a far better place to measure in.

### 8. CONCLUSION

Green Marketing remains within the stage of childhood among the Indian companies. Many opportunities are available now this is often the proper time to pick Green Marketing globally. From the business point of view because an ingenious marketer is one who not only convinces the buyer, but also involves the buyer in marketing their product. Recycling of paper, metals, plastics, etc., during a safe and environmentally harmless manner should become far more systematized and universal. it's to become the overall norm to use energy efficient lamps and other electrical goods. Indian market Customers too are able to pay premium price for green products. Therefore there's a requirement for green marketing and a requirement for a shift within the consumer's behavior and attitude towards more environment friendly life styles. Ultimately green marketing requires that buyers need a cleaner environment and are willing to buy it, possibly through higher priced goods, modified individual lifestyles, or maybe governmental intervention. Final consumers and industrial buyers even have the power to pressure organizations to integrate the environment into their corporate culture and thus ensure all organizations minimize the detrimental environmental impact of their activities.

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