

# AN EMPIRICAL STUDY ON CUSTOMERS PREFERENCE TOWARDS GREEN PRODUCTS

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**Abstract**---The emerging environmental issues, scarcity of natural resources in the present society has forced the business and its customers to think of green while purchasing the products. With the increase in the environmental problems such as global warming, pollution, solid wastage etc, it is essential that the customers have to switch to eco-friendly products in order to reduce harm on the environment and save the natural resources. The present paper focuses on determining the customer's awareness and their perception towards green products. In the research the customer's opinion measured with respect to price, quality, packaging, availability of green products and its impact on environment etc.

**Key words:** Environmental Problems, Green Product

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## 1. INTRODUCTION:

As with most marketing and advertising jargon, the term "green" can be defined in many ways—its definition tweaked to support a particular message or point of view. In recent years, "green" has even made its way into the scientific lexicon (e.g., "green chemistry"). Yet, while the general consensus is that "green" refers, in some way, to environmentally-preferable attributes of a product, service, and/or technology, there is no single, universal definition of the term.

By the late 1980s and 1990s, the notion of "green" products became somewhat trendier, and the practice of marketing products as such became more commonplace in niche markets. But it wasn't until the start of the 21st century—when concerns over global warming and natural resource depletion began gaining momentum—that "green" went mainstream and began influencing the practices of product manufacturers.

In the past few decades consumers have become increasingly attentive to social and ethical considerations such as energy consumption, animal husbandry, and fair trading (Chen, 2001; Crane, 2001; Torjusen, Lieblein, Wandel, & Francis, 2001). This increased concern and feeling of responsibility for society has led to remarkable growth in the global market for environment-friendly products (Hunt & Dorfman, 2009). At the heart of this trend, which is often referred to as ethical consumerism or green consumption (Anderson & Cunningham, 1972; Kinnear, Taylor, & Ahmed, 1974), lies the assumption that purchasing choices not only express price and quality preferences (Monroe, 1976) but also norms, values, and beliefs (Caruana, 2007; Irwin & Baron, 2001)

## 2. LITERATURE REVIEW:

According to the Theory of Planned Behaviour by Ajzen (1991), the combination of attitudes towards the behaviour, subjective norms, and perceived behavioural control guide the formation of an intention, and thus, intention is assumed to be the predecessor of the actual behaviour. Again, a central factor in the Theory of Planned Behaviour is the individual's intention to perform a given behaviour. Intentions are assumed to control the motivational factors that influence behaviour. They are indications of how hard people are willing to try, or how much of an effort they are planning to exert in order to execute the behaviour. In short, the stronger the intention to engage in certain behaviour, the more likely an actual behaviour would be performed (Ajzen, 1991). Roberts and Bacon (1997) have developed a conceptual model to explore the relationships between consumers' environmental concern and ecologically conscious consumer behaviour in the USA. Their study conceptualized the consumer behaviour variable in six-dimensional criteria with 30 measuring items. They ranged from the use of recycled products to consumers' green purchase behaviour. In a similar study on consumer behaviour, (Chan, 2001) developed a conceptualized model that investigated the influence of various cultural and psychological factors on green purchase behaviour among Chinese consumers. The green purchase intention in the study was conceptualized as a single dimension variable and was measured by three items.

However, D'Souza *et al.* (2006) have developed a conceptualized model that consisted of seven variables in their study, which investigated the influences of multiple factors on green products for green purchase intention among consumers in Australia. The green purchase intention in the study was conceptualized as two-dimension variables, with price and quality as the measurement for green purchase intention. Whereas the study by Nik Abdul *et al.* (2009) referred green purchase

intention as the probability and willingness of a person to give preference to products having eco-friendly features over other conventional products in their purchase considerations. Likewise, Chen and Chang (2012) defined green purchase intention as the likelihood that a consumer would buy a particular product resulting from his or her environmental needs. Hence, for the purpose of this study, green purchase intention was conceptualized as a single-dimension variable, which is in line with Nik Abdul *et al.* (2009), as they have defined green purchase intention as the probability and willingness of a person to give preference to products with eco-friendly features over other conventional products in their purchase considerations.

Tang *et al.* (2004) define eco-label as a mean of information tool that usually utilized logo to convey information to consumers on the environment implications of buying such product. Additionally, Rex and Baumann (2006) describe eco-label as a means for consumers to make choices that will reduce environmental impact and enable them to influence how products are made. Sonderskov and Daugbjerg (2011) define eco-label as a product claim to furnish consumers with credible and easily accessible information on the environmental attributes of a product. Also, Sammer and Wustenhagen (2006) advocate eco-label as an important marketing tool to overcome market failure due to information asymmetries between sellers and buyers of environmental friendly products. Elham Rahbar and Nabsiah Abdul (2011) developed a conceptualized model that investigated the effects of eco-label, eco-brand, and environmental advertising on consumers purchasing behaviour in Penang, Malaysia. They suggested that these three marketing tools are useful in enhancing consumers' knowledge about environmental friendly products and their ability to distinguish between green products and conventional products. In the same study, eco-label was conceptualized as a single-dimension variable that consisted of four items, ranging from consumers' recognition of various eco-labels, use of eco-labels, the comprehension of the meaning of eco-labels, and trust of the eco-label's message. Hence, for the purpose of this study, eco-label was conceptualized as a single-dimension variable based on the study of Elham Rahbar and Nabsiah Abdul (2011).

Davis (1994), corporate environmental advertisement typically contains three elements. First, the advertisement presents a general statement of corporate concern for the environment. Second, the advertisement describes how the corporation has initiated a number of activities to demonstrate its concern and commitment towards environmental improvement. Third, the advertisement provides a description of specific environmentally related activities, in which the corporation is engaged and / or outcomes for which the corporation takes credit. Whereas Chan (2004), defines green advertisement as claims that the attributes of the advertised product or associated production process contributed to environmental protection or with other positive effects to the environment. In the study, (Chan, 2004) developed a model that consisted of six dimensions in measuring the Chinese consumers' responses to green advertisement, i.e. attitudes toward the advertisement, attitudes toward the advertised product, intention to purchase the advertised product, relevance of the advertised product to the respondents' daily lives, usefulness of the advertisement in guiding respondents to purchase the product, and perceived credibility of the advertising claim.

Draskovic *et al.* (2009) proposed that packaging is a communication tool between businesses and consumers and it is capable of attracting consumers' attention. Consumers' overall perception of packaging is a sum of individual perspective of packaging shape, size, colour, materials, and labelled information. Hence, to further understand how packaging communicates and affects consumers, it is important to investigate how consumers perceive packaging. Van Dam and Van Trijp (1994), in their attempt to unveil consumers' perceptions and preference for beverage containers in the Netherlands, define green packaging as to the extent consumers recognize environmental aspects in their perception of product packaging and the extent consumers consider environmental aspects in their overall preference formation.

### 3. OBJECTIVES OF STUDY:

The research is conducted to determine:

- Awareness of customers towards green products
- Opinion of customers on various features of green product.
- Customer's preference to purchase green products.

### 4. RESEARCH METHODOLOGY:

An empirical research is conducted to determine the customer's awareness and their perception purchase intention of green products. The primary data required for the study is collected by using structured questionnaire. The questionnaire designed in two sections, one to know the customers demographical profile and the other to measure their opinion in order to fulfil the objectives of the study. Sample of 200 respondents for the research are selected by using convenience sampling from the customers of Kurnool district. After data evaluation only 146 filled are considered for the analysis. Hence the rate of response is 73%.

**5. DATA ANALYSIS AND FINDINGS:**

Table showing demographical profile of customers:

Factor	Dimensions	Number of respondents	Percentage
Gender	Male	122	61
	Female	78	39
Education Levels	SSC	41	20.5
	UG	89	44.5
	PG/Masters	70	35
Age	Below 18yrs	35	17.5
	18-24 yrs	76	38
	24-35 yrs	48	24
	>35yrs	41	20.5
Employment Status	Manager	51	25.5
	Executive	62	31
	Self-employed	39	19.5
	Others	48	24
Income	10,000 -15,000	82	41
	15,000-25,000	54	27
	25,001-35,000	32	16
	>35,000	32	16

Table representing customer’s awareness and intention to purchase green products

	No of respondents	Percentage
Completely know	45	22.5
Somewhat know	97	23.5
Don’t know	58	29

	No of respondents	Percentage
Every Time	22	11
Sometimes	42	21
May be in future	106	53
Only in the absence of other products	30	15

Attribute	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
Expensive	62	26	4	6	4
Quality	23	16	30	22	9
Reduces Wastage	43	34	22	0	2
Saves energy	51	32	6	7	4
Highly Durable	12	27	5	29	27
Convenience	21	18	22	15	25
Recyclable	22	31	19	15	13
Environmental friendly	35	21	12	14	18
Available everywhere	17	12	21	36	14

From the above data it is clear that the majority of the customers does not have completely knowledge on green products and its effect on environment. The customers who know the value of green products for the protecting the environment still not preferring the products because they feel that these are expensive, problems to use, and lack of availability

**6. CONCLUSION:**

As the green products are very essential for protecting and reducing the effect of industries on to the environment the government and all the corporate has to increase the knowledge of public to realise the harm they are creating to the environment by using non green products. The research and development activities should be speed up to innovate the methods that can satisfy people, planet and profits.

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