



## **INFLUENCE OF PRO-ENVIRONMENTAL CONCERNS ON GREEN BUYING: A STUDY WITH SPECIAL REFERENCE TO URBAN CONSUMERS IN TAMIL NADU.**

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### **Abstract**

*Objectives – The main objectives of the study are to determine the consumers’ pro-environmental concerns, knowledge of environmental issues, awareness of eco-friendly products, and to make recommendations based on the findings about their “Green Buying” behaviour in Indian context. Research suggests that consumers who are highly involved and concerned with the environmental issues prefer to buy eco- friendly products and are willing to pay a higher price for such products. This study investigates if pro-environmental concerns among consumers in India are predictive of their any green buying behaviour.*

*Methodology – Data for this study was collected from a highly educated sample of 200 respondents using a structured questionnaire. The questionnaire contains questions to measure general consumers’ environmental concern, awareness of eco-friendly products, trust in performance of eco-friendly products and green buying behaviour. Descriptive statistics, factor analysis and correlation techniques were used to analyze the findings of this study.*

*Results – The results indicate that consumers’ pro-environmental concerns significantly affect their green buying behaviour. Also, consumers are willing to buy eco-friendly products but not many are willing to pay a higher price for such products. The survey findings disclose that consumers’ awareness towards eco-friendly products and their environmental concern impacts their green buying behaviour.*

*Conclusions – While environmental concerns could emerge as one of the powerful drivers that influence purchase, it has actually not resulted in the ability to command a sustainable premium: consumers are willing to buy eco-friendly products, but not pay the higher price. Increased consumer demand will help reduce costs in production of eco-friendly products. Awareness among consumers that their buying choices can make a difference to the environment should be promoted to accelerate the consumption of eco-friendly products.*

**Keywords: Eco-Friendly Products, Pro-Environmental Concern, Green Buying, Willingness to Pay.**

### **I. Introduction**

“Green” gains global marketing muscle, as consumers exercise the power of demand in the environmental arena. In light of public concern about climate change, depletion of natural resources, damage to the ozone layer, and loss of agricultural land, there is a growing preference for energy-saving technologies and a reduction and limit to energy use. Consumers will increasingly favour products and services from companies with strong sustainability practices .A major consequence of China’s and India’s rapid growth will be ongoing depletion of natural resources. Aspiration for economic progress and better life style will cause shortage in vital commodities (czinkota and scuba 2009) Over the years, a majority of consumers have realized that their behaviour had a direct impact on environment. There is a growing amount evidence indicating that consumers are choosing products or avoiding others based on their impact on the natural environment (Laroche et al.,2001).As result of the increasing number of green consumers, marketers are targeting the green segment of the population. Recycled paper, plastic goods, and dolphin-safe tuna are examples of product positioned on the basis of environmental appeal (Banerjee et al.,1995).Marketers are also incorporating the environmental aspect into many marketing activities, including product and package design(Polonsky et.al.,1997) and pricing. It is also suggested that green consumers are wiling to pay more for ecologically friendly products(Coddington,1993).Marketers have even gone as far as to develop specific models for development of green advertising and green marketing strategies. Now days ,environmental consciousness is not only an ideology of activists,but also a matter of “market competition”,

which influences consumer behaviour. Dsouza(2004) claims that the green vision is a reality and needs to be more functionally understood to allow marketers to develop strategies aimed to meet green consumers, needs. A number of countries have developed schemes in which a product that conforms to a set of criteria is granted a recognized seal of approval, better known as an eco-label. In India, the union ministry of environment and forests (MoEF) had introduced a scheme to label certain consumer products as environment-friendly products in 1991. Under the scheme, the products that are less harmful to the environment and human health or have begun impact on the environment through various stages of development, manufacture, use, packaging, distribution, consumption, disposal and re-cycling may be awarded the Eco-mark label. The scheme is executed with the help of the Central Pollution Control Board (CPCB) and the Bureau of Indian Standards (BIS). The logo is that of the earthen pot, a symbol interwoven in the Indian way of life. But as of today, not a single product carries this mark. Godrej soaps was awarded the mark of their brand Eezee but the company has subsequently allowed its license to lapse (Suneja 2010).

## II. Green Consumer Behaviour

The term “green” is typically used interchangeably with “pro-environmental” or “eco-friendly”. However, because of difference in definitions of the environment, the term is necessarily imprecise. The term “green” is simply used to indicate concern with the physical environment (air, water, land). Some authors have made finer distinctions in classifying different types of greenness (Iyer et al., 1994). The term consumer behaviour is defined as the behaviour that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they will satisfy their needs (Sciffman & Kanuk 2007). Hence, for this study the green consumer is considered as anyone whose behaviour is influenced by environmental concerns and the environmental concern that consumers display in searching for, purchasing, using, evaluating, and disposing of products is considered as „Green Consumer Behaviour”.

## III. Review of Literature

Chamorro et al. (2009) built up a database with a hundred and twelve articles on green marketing and explored the topic: the methodology, techniques of analysis, and other relevant aspects of the research. The analysis revealed that research on green marketing has gone through two clearly distinct stages in the ten year period under analyses i.e., 1993-2003. It reached its peak during the 1990s, with an average of thirteen articles per year and the publication of various specific volumes dedicated to the topic, such as volume 20 of *Advances in Consumer Research* (1993), Volume 24/2 of *Journal of Advertising* (1995) and volume 14/6 of *Journal of Marketing Management* (1998). However, this initial interest appears to drop off after the year 2000, with a drastic and significant decline in the number of articles published. This fact can be related to the growing importance of “social corporate responsibility” that included both social and ecological dimensions as a general subject of research than ecological dimensions alone. Sanjay (2006) observed the presence of statistically significant linkages between the socio-demographic characteristics and different environmental consciousness constructs, thus implying potential usefulness of these characteristics in profiling different segments of green consumers and evolving accordingly the green marketing strategies and environmental campaigns as capable of more effectively reaching and influencing the chosen green consumer segments. Level of education is an important demographic variable that has been linked to environmental attitudes and behaviour (e.g. Aaker and Bagozzi, 1982; Anderson et al., 1974; Leonard-Barton, 1981; McEvoy, 1972; Murphy et al., 1978; Roberts, 1995; Roper, 1990; 1992; Schwartz Miller, 1991; Tognacci et al., 1972; Van Liere Dunlap, 1981; Zimmer et al., 1994; Diamantopoulos et al., 2003). The hypothesized relationship has been fairly consistent across these studies. Specifically, the results of studies examining education and environmental issues are somewhat more consistent than the other demographic variables, a definitive Roberts, 1999). Samdahl (1989) found the opposite, that education was negatively correlated with environmental attitudes, and Kinnear et al. (1974) found no significant relationship. Although education plays an important role in the encouraging change, this approach is often minimally successful. Education and sustained behaviour change in adults have a Zero percent correlation. Urban respondents scored high in all demographic categories in comparison with rural consumers. Gender-wise, the behaviour was quite symmetrical in both the groups. Education-wise, inverse relationship is noticeable between the Socially Responsible consumer Behaviour – mean values and education-level (Narendra Singh, 2009). More than half of all consumers actively consider

environmental sustainability characteristics in their buying decisions, but they go on to buy green products on fewer than a quarter of shopping occasions, according to new research( News & Analysis Asia 2009). As the literature reveals conflicting conclusion about the relationship of green consumer behaviour to education, the present study is conducted to understand the green consumer behaviour of university teachers, one of the highly educated segment The purpose of the current study is to investigate the relationship between education and in consumption to determine if a new green consumption mentality is emerging. Among the university teachers the study should be of interest and have practical value to both national and global marketers since knowledge of emerging consumer attitude guides in developing marketing campaigns designed around products that have appeal to local consumers. Additionally, since consumer environmental attitudes appear more fluid than stable, descriptive information on the current state of consumer environment orientation might assist in the development of more robust theoretical models explaining the presence of green consumer behaviour. From a public policy standpoint, it is important to know what motivates consumers to buy environmentally friendly products if a pro-environmental change policy is to be successfully implemented. This study seeks to extend knowledge about green consumer behaviour of university teachers, where virtually no research has been conducted in the realm of eco-orientation.

#### **IV. Research Objectives**

The primary objectives of this study include

1. To identify if consumers prefer to buy eco-friendly products and are willing to pay more for eco-friendly products.
2. To assess if consumers' pro-environmental concerns, knowledge of environmental issues, and awareness of eco- friendly products affect their green buying behaviour.

#### **V. Methodology**

690 questionnaires were distributed to a conveniently generated sample of a highly educated segment of general population of Tamilnadu in the districts of Chennai and Tirunelveli. The survey scale consisted of 10 items of Ecologically Conscious Consumer Behaviour (ECCB) scale. Scores on the scale items varied from a low of 1 (strongly disagree) to a high of 5 (strongly agree), with disagree, neutral, and agree as interval points. The questionnaire also included general demographic questions such as age, gender education. Mean, standard deviation, techniques were used to analyze the results. The questionnaire was tested for its reliability. The Cronbach Alpha reliability coefficient for all items in the questionnaire was found to be 0.640, which is in close approximation to the acceptable range.

#### **VI. Findings**

Study results indicate that a majority of sample respondents are aware of eco-friendly products and are knowledgeable about environment related issues. Approximately 98% responders stated that they had heard and were aware of eco-friendly products. 95% were aware of the fact that purchasing eco-friendly products will contribute towards a sustainable future. More than half (56% ) of the respondents stated that they did not consider the effect on environment while purchasing general day to day products where as 54% assumed that their purchases were correct from an environmental point of view. 56% of the respondents reported that they checked if the packages were designed to be recycled before making a purchase. A relatively higher proportion of respondents (78%) stated that labeling a product as eco-friendly would change their choice of purchase. Further, 82% of the sample respondents considered buying eco-friendly products but only 36% were found to trust the quality of eco-friendly products.

#### **VII. Limitations**

This research was conducted by generating a non-random sample and hence the results may not be generalized beyond the sample frame. These results, however, support a generally prevailing notion that more educated people tend to be green buyers and hence warrant a larger study conducted on a randomly selected sample. Also, the present research was conducted using a self-reporting questionnaire and hence respondents' bias may be a concern, especially in regard to the willingness to pay premium.



### VIII. Implications

The study suggests that pro-environmental concern is a likely predictor of green buying behaviour. This creates an opportunity for developing green market focusing on more educated consumers—the same proposition that has worked in the West. Also, consumers want eco-friendly products from green firms or companies which project their image as being green. The right mix of eco- friendly products and service, sales, marketing, PR and management expertise is needed to target and attract the consumers who may be willing to buy eco- friendly products. Green marketers should identify such segment of consumers and accordingly design and market products at suitable price levels. Since eco-friendly attributes motivate consumers, hence companies should focus on advertising eco-friendly brand labels, in-store displays and pamphlets. Advertisements campaigns may be used to further promote the use of eco-friendly products. Such campaigns can be directed at increasing concerns about environmental issues among consumers and publicize the use of eco-friendly products. Pro-environmental concerns can be raised by advertising that individual buying behaviour can make a difference and can have an impact on the welfare of the environment. It is also important that companies aiming at developing new eco-friendly products should ensure that products perform competitively.

Findings from this work also suggest that the segment of consumers willing to pay more for eco-friendly products in India may not be very large. Even in an educated segment like the one chosen for this study, willing to pay premium receives an underwhelming response.

### IX. Conclusion

Thus, while environmental concern could emerge as one of the powerful drivers that influence green purchase, it has actually not resulted in the ability to command a sustainable premium: consumers are willing to buy eco-friendly products, but not pay the higher price. It may be important to examine in future studies the effect of disposable income on willingness to pay premium. Increased consumer demand will help reduce costs in production of eco-friendly products. Awareness among consumers that their buying choices can make a difference to the environment should be promoted.

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