

A review study - Green Consumers' dilemma: Environment or pocket

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ABSTRACT

This review paper has focussed on understand the link between Environmental awareness and does price really affect their decision to buy green products. For this purpose related secondary data is collected from different national and international journals. To achieve the aim of this study, an in-depth literature study was undertaken. Through the research paper it was found that knowledge of consumers about environmental issues and green products which they got from green marketing and their school or college study is useful in purchasing decisions but still higher price is biggest problem.

This paper suggests that green marketing play crucial role in making people aware about environment. Companies adopting Green marketing should also need to consider price as an important factor and try to keep price lower or similar than other competent products.

Key words: Green Marketing, Green Consumer, Green values

I. INTRODUCTION

"We shall require a substantially new manner of thinking if mankind is to survive." - Albert Einstein.

Environmental issues and green products have gained importance in business as well as in public life throughout the world. Marketing strategy in India also has been shifted from the traditional to the sustainable green marketing strategy. The term green marketing refers to the strategies to promote products by employing environmental claims either about their attributes or about the systems, policies and processes of the firms that manufacture or sell them(A. Prakash, 2002). Clearly, green marketing is part and parcel of the overall corporate strategy (Menon and Menon, 1997).

Global environmental issues are not solved within the four walls of a scientist's laboratory. The best way to solve is environmental knowledge of an average individual because Consumers play key role in green marketing. Today many consumers are aware about the environmental issues and green products but price and durability of green products creating dilemma in their mind that whether they should buy green products for saving environment or buy cheaper products to save the money.

II. NEED FOR THE STUDY

Many companies in India have started marketing themselves as green organizations due to certain government regulations and creating awareness in consumers through green marketing. Many researchers studied through their research that consumer awareness of green product has been increasing as far as the development of green marketing in India is concerned but how much it has affected the buying behaviour of customer is still very less comparatively. Today green consumers feel that price of green products are higher than other competent products therefore it is creating **dilemma** in their mind that whether they should buy green products for saving environment or buy cheaper products to save the money.

It is tried to focus by this review paper that only higher price of green products is big a factor behind less green products sale.'

III. LITERATURE REVIEW AND BACKGROUND

Green marketing term was first discussed in a seminar on "ecological marketing" organized by American Marketing Association (AMA) in 1975 and took its place in the literature and through the years many research related to green marketing are being done. Some of them related to issue are reviewed.

Dr.M.Nagamani (2014) studied on Awareness and Usage of Green Products and found that people are aware about environmental issues and green products but still not purchasing them because of price and product quality. **Rahul Argha Sen (2014)** Moreover, the majority of the buyers are not willing to pay an extra amount for the green products offered in the market and they are not affected by the green marketing activities undertaken by the companies. **Aditya Maheshwari & Dr. Gunjan Malhotra (2011)** stated in their research paper that consumers 'Think Green, Think clean, Think Ecofriendly' i.e. they want a cleaner environment and are not willing to "pay" for it. In a paper by **Boztepe (2012)**, he has shown a relationship between green product, green promotions, green price, environmental awareness and green buying behaviour and found price is biggest factor. There are many related papers which are discussed in this paper.

IV. METHODOLOGY

Since this is a review paper therefore only secondary data is used which is collected from various books, websites, online journals and research papers from various authors.

V. GREEN MARKETING

Green marketing is the marketing of those products which are safe for the environment and the society as a whole. It includes a wide range of activities; changes in the production process, changes in the product itself, changes in the packaging and labelling and changes in promotions. When the products and services are measured on the basis of environmental benefits which they give and then sold, is the process of Green Marketing. Any product or

service which itself is environmentally friendly or is produced or packaged in such ways can be termed as Green.

V. GREEN CONSUMER

Nazanin Shabani et al.(2013) defines that Green consumer refers to consumers who are concerned about the environment in their purchase behavior, activities associated with the marketplace and consumption habits and consider the effect of their behavior on the natural environment around them. However, these concerns are not only about the goods, but it is possible to influence on how green consumers travel or place they choose for working or vacation. In general, each consumer who shows the environmentally friendly behavior is called a green consumer.

VI. GREEN CONSUMERS' DILEMMA: ENVIRONMENT OR POCKET

Relationship between purchasing behaviour and Price of green products –

A survey of Grail Research, 2009 on U.S. consumers shows that consumers who never bought green products perceived green products as too expensive and so don't buy them. A year later survey reveals that price is the most important factor and it is the main reason also for not buying the green products. A positive significant relation is found between the price and green buying behaviour of consumers (Boztepe, 2012). If the price of the green product is kept lower, the consumers will be encouraged to buy the green product if the product has relatively high price it affects purchasing decision.

Agyeman (2014) argued that there is a positive relationship between the price and consumer buying behaviour for green products. He said that quality and price of the product and environmental concerns play a vital role when it comes to actual purchase of the green products. He recommended that green marketers should make strategies after the proper understanding of the segment market and plan marketing mix strategies accordingly.

Dr. Meghna Sharma, Prachi Trivedi (2016) suggested that prices of the green products should be kept at an economical level so that even an average income earner can also afford them. The biggest barrier in the purchase of green products is high prices.

Relationship between Environmental awareness and price of Green product -

Belz and Peattie (2008) revealed that green marketing stressed on green consumers. These consumers would be eager to pay extra cost for the products that do not harm the environment. There are many consumers who would pay extra premium and decide to purchase green products. But the results of study by Rohit Nema stated that consumers are not willing to pay extra price for green products. The level of willingness exhibited by India consumers is low which suggests that India marketers should make strategies for cutting the cost (Nema, 2011).

Perceived product price is one of the factors impacting the consumers' buying behaviour (D'Souza et al., 2007). He further added that hard core environmentalist does not see price

before buying the green product and does not let prices determine their buying behaviour. Having a positive attitude towards green products and recycling is different from willingness to pay more for such products. There can be a buying behaviour where consumers support the green products and recycling but are not ready to pay extra cost (Hansla et al., 2008). There are studies which show where prices impact the consumer buying behaviour for green products and there are studies which contradict this view point. Unless and until discounts are given and promotions are stressed, prices will remain a hurdle (Gatersleben et al., 2002).

Sometimes consumers feel that they are overpaying for products. Dr. Gunjan Malhotra (2011) stated in his study that consumers are not overly committed to their environment and look to lay too much responsibility on industry and government. Green marketing should be combined with educating people about the benefits; the consumer must not feel being cheated purchasing green products.

Dr. K. Sounda Rarajan stated that the green product purchasing behaviour is still in a nascent stage and is yet to pick up. The state is moderate in urban areas and in rural areas awareness is yet to catch up.

VI. CONCLUSION AND SUGGESTIONS

We are looking for “Green Prosperous India” which is still a dream but it can be true by “Going Green” and it can be possible by green awareness. The green product purchasing behaviour of people is still in a nascent stage and is yet to pick up because the price of green products is biggest problem for green consumers for buying them. Today many consumers are aware about the environmental issues and green products but price and durability of green products creating dilemma in their mind because they feel that price of green products are higher than other competent products therefore it is creating **dilemma** in their mind that whether they should buy green products for saving environment or buy cheaper products to save the money.

Therefore this is suggested that first, marketer should review the price of green products and try to determine it lower or similar as other competent products. Second, Consumers should be aware about green products and their importance in environment safety. Hence if the aforesaid suggestions are carried out both by the marketers and consumers, definitely India will shine as super power in the years to come.

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