

## ENCOURAGING GREEN PURCHASING BEHAVIOR THROUGH GREEN BRANDING- AN INDIAN VIEWPOINT

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*The purpose of this study to classify green consumers through demographic and psychographic segmentation within Delhi & NCR and examine the green purchasing behavior through green branding by ecologically conscious consumer behavior (ECCB). With respect to the eco-friendly symbol green also represents positive values like growth, newness, freshness, fertility, healing, and safety. For green branding only logos of the companies are not diverting, moreover whole idea of branding is shifting which includes the mobile branding and electronic branding. Eco-labeling is also being done by the organization. In addition to the techno era a pinch of greener approach is developing the sustainability in the market. Finding indicates that today's consumers are aware or trying to be aware with respect to environment perspective for his/her purchasing decision. If they are being informed about the sustainability of the product their purchasing behavior changes positively.*

*With the Era of knowledge and technology our customers are well educated and awaked with respect to the functionality and emotional benefits of the products. In this when marketer adds the soupcon of greenness and eco friendliness then its being more preferred by customers.*

**Practical Implication:** - *The conclusion drawn in this study can be used by the marketers to identify the green customers and consequently influence green purchasing behavior by planning green branding strategies in India for their respective products and services.*

**Key words:** - Green Branding, Socio Demographic Groups, Perceived Consumer Effectiveness, Green Consumers, Green Purchasing Behavior

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## INTRODUCTION

In this competitive market customers are getting smarter not only with respect to an innovation a company is bringing within its products but also with being socially responsible towards environment. In many states of India Plastic bags are banned. Moreover, companies are themselves coming forward to generate awareness among their customers regarding sustainability. Social and environment investment has gained a thrust during recent decades in India. The concept of corporate social responsibility is hyped by every organization and addition of new concept has also been added with Corporate Social Marketing. Corporate social marketing (CSM) refers to "a means whereby a corporation supports the development and/or implementation of a behavior change campaign intended to improve public health, safety, the environment, or community well-being" (Kotler & Lee, 2005, p. 114). Some examples are in 2010, Parle came up with 'Monaco Smart Chips' with low calorie snacks to reduce obesity among Indian consumers. Moreover, Pepsico use the concept of "5 Rs"—to reduce, recycle, use renewable sources, remove environmentally sensitive materials and promote the reuse of packaging in the entire process of packaging selection, design and procurement.

Green is beyond the color now. From green revolution to green marketing we are still defining the new vicinity of greenness in the management. Earlier only Red & Blue were used to be the corporate colors in the industries and we were living within these boundaries. However, now this scenario is being shifted from red and blue to green.

Brand positioning is regarded a key tool for brand implementation in competitive markets (Aaker, 1996; Hooley et al., 1998; Kotler, 2000). The process involved in creating a unique name, logo, sign, symbol and image for a product in the consumers' mind, mainly through advertising campaigns with a consistent theme. Branding aims to establish a significant and differentiated presence in the market that attracts and retains loyal customers. Green Branding means the process of creating the unique image of the product in the greener way which will not have adverse effect on the environment. The scope of branding is very wide and huge. Hence this paper only includes the basic part of branding which is related to packaging and green logo. In India green logos are opted by Dabur India Limited, Godrej Industries Limited: Videocon Industries Limited added color of greenness in their respective logos.

In order to position green uniqueness of a product's brand one has to identify green purchasing behavior of customers to target green segmentation in India. Indian customers are now started using CFL bulbs or five star rated products and making green

purchasing. However, in the past there have been relatively very few attempts to classify green segment to encourage green purchasing behavior among Indian customers. However, the demand for green products has been shown to be uneven across different market segments (Ottman, 1992; Peattie, 1992). Thus, “[f]or organizations to position green products, or communicate their environmental efforts, to members of the population who are likely to be concerned about environmental issues, green consumer segments need to be identified” (Bohlen et al., 1993, p. 415).

However, there has been a whole wealth of research, using a variety of segmentation variables, attempting to profile the environmentally conscious members of the population in general. The measures that have been used fall into two distinct categories: socio-demographics, such as sex, age, education and social class (see Schlegelmilch et al., 1994), and personality measures, such as locus of control, alienation, conservatism and dogmatism (e.g. Balderjahn, 1988; Crosby et al., 1981; Henion and Wilson, 1976; Kinnear et al., 1974).

Consumers with High Levels of environmental consciousness make more green purchasing decision than those exhibiting low levels. (Bodo B. Schlegelmilch 1996; pp 37). One type of environmentally conscious behavior is environmental consumerism (green buying)-purchasing and consuming products that are benign toward the environment (Tina Mainieri, Elaine G. Barnett, Trisha R. Valdero, John B. Unipan, Stuart Oskamp 2013, Pp 190). Few example, jute bags are again coming in fashion, CNG car kits are being increasingly preferred and at the time of Holi consumers are preferring eco- colors. Campaign like No to Crackers and No to Plastics are being positively responded by Indian consumers.

The objective of this paper is to ascertain whether variables can be characterized as per demographic segmentation to identify green consumers with green purchasing behavior through green branding. In this paper the scale of Ecologically Conscious Consumer Behavior (ECCB) and Perceived consumer effectiveness (PCE) are used to identify customer's conscious level with their attitudes and responses with green purchasing behavior. Numerous studies have addressed the characteristics of ecologically conscious consumers through demographic variable and psychometric scales measuring environmental consciousness. This paper study's the demographic variables like age, income and education of Delhi and NCR consumes and in psychometric scale with Perceived consumer effectiveness (PCE) to check Ecologically Conscious Consumer Behavior (ECCB). Several studies (e.g. Antil, 1978; Berger and Corbin, 1992; Kinnear

et al., 1974; Roberts, 1995; 1996b; Roberts and Bacon, 1997; Webster, 1975; Weiner and Doescher, 1991) have addressed the premise that consumers' attitudes and responses to environmental appeals are a function of their belief that individuals can positively influence the outcome to such problems. This attitude or belief is referred to as perceived consumer effectiveness (PCE). Findings have been fairly conclusive that PCE is positively correlated with ECCB. Recently, Roberts (1996b) found that this was the single strongest predictor of ECCB, surpassing all other demographic and psychographic correlates examined.

Perceived consumer effectiveness was first examined by Kinnear, Taylor and Ahmed (1974) as the measurement of one's belief in the results of his/her own actions. The intention and behaviour of a person is the function of his/her conviction that the occurrence or stopping of an event depends on his/her activity (Thompson, 1981).

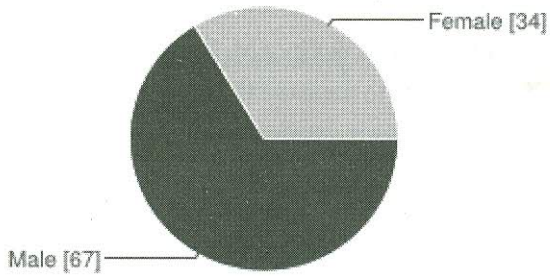
## **STUDY OBJECTIVE**

The objective of this study is to highlight the green segment and green consumer in Delhi & NCR and to identify whether marketer can influence their green purchasing behavior through green branding. As today's customer with respect to age, gender, income and education are aware or trying to be aware for environment. In psychographic segment, perceived consumer effectiveness taken to identify green consumers. Social and environment responsibility is increasing among customers and marketers are also investing towards CSR and corporate social marketing.

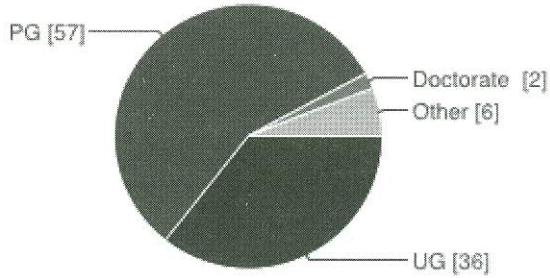
## **RESEARCH METHODOLOGY**

The data for this paper were collected through questionnaire. The questionnaire was administered to the sample size of 101 respondents within Delhi and NCR region. This questionnaire was emailed and shared on social networking site Facebook. Regular follow up through SMSs and emails was done to request respondents to fill the questionnaire. In this research paper NO papers were used to fill the questionnaire. Each respondent participated through emails or facebook. Sixty Six percent of respondents were male and remaining was female. Fifty six percent among them were post graduate. The following provides the complete summary of demographic characteristics of the respondents in percentage.

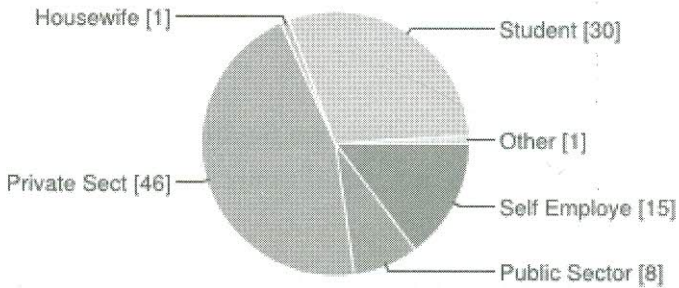
**Gender**



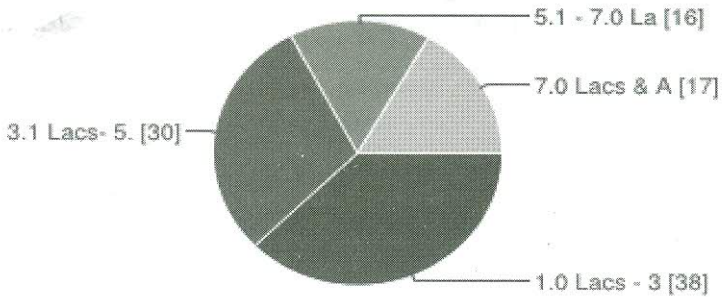
**Education**



**Occupation**



**Income**



## Survey Instrument

In this paper the ECCB (Ecologically Conscious Consumer Behaviour) scale (modified and based on Bodo B. Schlegelmilch & Greg M. Bohlen and Adamantis Diamantopoulos, 1996) was used with 5- item scale to measure the ecological consciousness of respondent. The individual items were in a Likert – format with five scale stated by “Always True” to “Never True”

Five key demographic variables were considered gender, age, income, education and occupation to measure the basic demographic profiling. From among the psychographic variable perceived consumer effectiveness

## Analysis

In this paper multiple and step wise regression analysis is utilized to examine the impact of green branding on purchasing behavior For multiple regression analysis, ECCB was modeled as the dependent variable. Whereas demographic and psychographic variables were used as independent variables. PCE scale is given in Appendix. The same were checked at the ( $\alpha = 0.05$ ) level of significance. Four regression models were examined. One included ECCB with psychographic variable. Other was designed to examine ECCB with demographic variables.

## Results

Table-1 shows that psychographic variables are significantly correlated with ECCB. In addition demographic variables are significantly correlated with ECCB except occupation.

**Table-1: Correlation of ECCB with PCE & Demographic Variables**

	<i>ECCB</i>	<i>PCE</i>	<i>Gender</i>	<i>Age (in Years)</i>	<i>Education</i>	<i>Occupation</i>	<i>Income</i>
ECCB	1						
PCE	0.35	1.00					
Gender	0.15	0.02	1.00				
Age (in Years)	0.04	0.12	0.00	1.00			
Education	0.06	0.05	-0.26	0.29	1.00		
Occupation	-0.06	0.04	-0.12	-0.46	-0.30	1.00	
Income	0.20	0.05	0.31	0.29	0.25	-0.45	1.00

Table-2: shows that ECCB and PCE are statistically significantly related with ( $p < 0.5$ ). It indicates that psychographic variable is significant with ECCB.

**Table-2: Regression Analysis showing Impact of PCE on ECCB**

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>
Intercept	1.1967	0.3461	3.4577	0.0008
PCE	0.4178	0.1102	3.7901	0.0003

R square = 0.1256

Table-3 shows that ECCB and demographic variables (i.e. age, income, gender and occupation) are not statistically significantly ( $p < 0.5$ ). This indicates that all demographic factors do not affect ECCB.

**Table-3: Regression Analysis showing Impact of Demographic Variables on ECCB**

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>
Intercept	1.9557	0.5725	3.4163	0.0009
Gender	0.1896	0.1779	1.0653	0.2894
Age (in Years)	-0.0016	0.0132	-0.1218	0.9033
Education	0.0942	0.1607	0.5861	0.5592
Occupation	0.0209	0.0670	0.3114	0.7562
Income	0.1039	0.0752	1.3816	0.1703

R square = 0.0527

Table-4 presents results relating to impact of Income and PCE on ECCB. Results show that both the variables affect ECCB significantly ( $P < 0.5$ )

**Table-4 : Regression Analysis showing Impact of Income, PCE on ECCB**

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>
Intercept	0.9822	0.3577	2.7461	0.0072
PCE	0.4076	0.1087	3.7477	0.0003
Income	0.1146	0.0575	1.9925	0.0491

R square = 0.1593

## DISCUSSION

This study indicates that in India green consumers do exist (Table 5). The self-consciousness in respect of green purchase among consumers is increasing. When respondents were asked, whether they tried to discover the effects of products on environment, 75% of the respondents stated that they tried to discover the impact of product on environment from always to sometimes. In our study it was observed that 75% consumers tried to discover the effects of products on the environment. Only 25% consumers ignored this aspect (20% rarely tried to discover and 5% never bothered to discover the impact of products purchased on the environment.)

Most respondent stated, they will choose green product or environmentally friendly alternative if one of similar prices was available. This indicates that consumers are ready to buy green products. Marketers need plan and add an efforts to encourage their green purchasing. This study revealed that 96% of the respondent would have prefer to purchased green product to similar priced non green product. In fact, 38% of the respondents always purchased the green product. However, 4% of the respondents would rarely purchase the green products with similar prices. Thus within a price range Indian consumers prefer green product to non green commodities.

However, price of eco-friendly product may cause negative green purchasing behavior among the Indian customers. Hence it is very important for an organization not to keep prices of its green product high. As in the study only 8 % of the respondent was always ready to purchase green products regardless of the prices, whereas 26% would rarely or never purchase green products at higher prices. Thus, Indian consumers are not ready for financial sacrifice for the sake of environment.

When consumers were informed about the benefits of using eco-friendly products or regarding the sustainability of such product, Indian customers displayed positive green purchasing behavior. When respondents were asked whether they will purchase the product which sustainable and eco friendly 94 % of the respondent agreed to it, of these 39% would always purchase green products on being informed about its benefits for the environment. However, 6% of the respondents were unaffected by the green information. Therefore companies should focus on branding and better, if they opt for green branding for their products.

Indian consumers choose to buy products with green branding like eco packaging, green logo or 3R's. Green packaging, eco -labeling may influence the buying decision of a



consumers. In our survey it was observed that 80% of consumers purchased green branded products, of these 22% always did so. Only 20% were unaffected by green branding (16% were influenced rarely and 4% were never affected).

The survey revealed that as many as 57% believed that consumer's behavior can have a positive effect on society by purchasing products sold by socially responsible companies. Only 2% believed that this could never happen.

TABLE-5  
Summary of Responses on Green Buying Behaviour

	Issue1	Issue2	Issue3	Issue4	Issue5	Issue6	Issue7	Issue8	Issue9	Issue10	Issue11
Always	11%	38%	8%	39%	22%	17%	20%	5%	12%	5%	57%
Often	27%	32%	33%	33%	37%	36%	24%	9%	25%	17%	26%
Sometimes	37%	26%	34%	22%	21%	27%	22%	10%	34%	16%	12%
Rarely	20%	4%	20%	3%	16%	11%	27%	26%	19%	15%	3%
Never	5%	0%	6%	3%	4%	8%	8%	51%	10%	47%	2%
1	I choose the environmentally - friendly alternative if one of similar prices is available										
2	I choose the environmentally - friendly alternative regardless of price										
3	I try to discover the environmental effects of products prior to purchase										
4	I choose the environmentally - friendly alternative if informed about its benefits towards environment or sustainability										
5	I choose a product if I find Green Logo on the product										
6	I choose a product if I find eco- friendly packaging of the product										
7	I choose a product if I find mention of 3R's (Recycle, Reuse and Regenerate) on the product										
8	It is worthless for the individual consumer to do anything about pollution.										
9	When I buy products, I try to consider how my use of them will affect the environment and other consumers.										
10	Since one person cannot have any effect upon pollution and natural resource problems, it doesn't make any difference what I do.										
11	Each consumer's behavior can have a positive effect on society by purchasing products sold by socially responsible companies										

## CONCLUSION

The study clearly shows that customer are becoming conscious for environment. Hence marketers can target green consumers in India and gear up their sales of green products. To target the green consumer's marketers should target more on psychographic segment as compare to demographic profiling of consumer. As indicated in the study demographics segment don't effects the ECCB significantly. A person's belief that individuals can play an important role in combating environmental destruction (PCE) is likely the driving force behind ECCB (Robert D. Straughan, 1999).

### *Encouraging green purchasing behavior through demographic segmentation*

Demographic segment is one of the traditional and simple ways of profiling the consumers. However, here consciousness is not directly related to demographic segment. For this, managers and researchers must ask how useful the typical profile of the green consumer (young, mid- to high-income, educated, urban women) is in terms of marketing applications (Robert, 1996b).

### *Encouraging green purchasing behavior through psychographic segmentation*

The study indicates that psychographic variable i.e. PCE (Perceived consumer effectiveness is better to identify consumer with respect to green profiling. PCE says that individual should be convinced that his/her actions for better environment should save the environment. Only mentioning or saying "green" will not affect their green purchasing behavior, however adding an advantage of their purchasing towards better environment encourages them to buy green products.

The following are major the conclusions:

1. Indian consumers are becoming cognizant with respect to green purchasing.
2. Marketers should show their customers that their green purchasing is helping in preservation of environment and their efforts are valuable for sustainability to encourage green purchasing behavior.
3. Companies should focus on branding and better if they should opt for green branding for green products as the same are liked by today's consumers
4. Prices are an issue with green purchasing behavior.

## LIMITATIONS

There are limitations in this paper that should be considered while taking an account the findings of this study. This paper samples area is of Delhi & NCR only. This was done to

profile the basic demographic segment which includes age, gender, education, occupation and income. The sample chosen for the study is small, heterogeneous and not randomized. This paper includes 30% of the student as respondents. In the social psychology arena, students are generally used as subjects due to convenience-related factors, and their representativeness of the population of interest is often overlooked (Bearden et al., 1993; Burnett and Dunne, 1986). In psychographic segmentation only one variable was studied i.e. PCE which may not show all the aspects of psychographic purchasing behavior of a consumer.

## FUTURE RESEARCH

In this paper traditional demographic profiling has been used. For better results researchers can use niche demographic segment like young, mid- to high-income, educated, urban women or enhanced classification of green consumers. Additional psychographic variables can be considered like Altruism, Liberalism or Environmental concern to have improved understanding about the green consumer behavior. The relationship between ECCB & PCE can be tested in major metropolitan cities for analysis the green purchasing behavior .

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## Appendix

### Perceived consumer effectiveness (PCE) items

	<p>(1) It is worthless of the big industries should be controlled by the federal government.</p> <p>(2) When I buy products, I try to consider how my use of them will affect the environment and other consumers.</p> <p>(3) Since one person cannot have any effect upon pollution and natural resource problems, it doesn't make any difference what I do.</p> <p>(4) Each consumer's behaviour can have a positive effect on society by purchasing products sold by socially responsible companies.</p>
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