“CONSUMER PERCEPTION TOWARDS GREEN PRODUCTS; A STUDY IN MADURAI DISTRICT”

Synopsis submitted to Madurai Kamaraj University

For the award of the Degree of

DOCTOR OF PHILOSOPHY IN

COMMERCE

Submitted by

Mrs. L. SUGIRTHA

Reg No: P3194

Under the August Guidance of

Dr. P. SRITHAR

Associate Professor & Head

Department of Commerce

N.M.S.S.V.N. College

Nagamalai-625 019

DEPARTMENT OF COMMERCE

MADURAI KAMARAJ UNIVERSITY

MADURAI – 625 021

MARCH 2018
Synopsis

Executive summary

Environmentalism has fast emerged as a worldwide phenomenon. Marketing organizations too have risen to the occasion and have started responding to environmental challenges by practicing green marketing strategies. The awareness of the Green marketing is increased among the Indian consumers. Many of the manufacturers are following Green marketing practices in India. So, the Green marketing concept is not the new survival mantra of the business organizations.

INTRODUCTION

Green marketing includes the concept of planning, development and promotion of environment – friendly products or services to satisfy the needs of ultimate customers for quality, quantity, optimum price and service, without having a negative effect on the usage or its users. It is a fact that both marketers and consumers are increasingly becoming aware of the need to switch over green products and services. The move from the existing marketing methods to green marketing may appear to be expensive in the short term, but it will absolutely prove to be crucial and beneficial, and cost effective in the long run. Green marketing strategy reaps multiple benefits like increased revenue, reduced costs, new product development, risk mitigation, environment protection, global safety and enhanced brand reputation. Green marketing is needed to address environmental issues which influence all human society and natural atmosphere.
There are several reasons that may cause this discrepancy. One of the reasons is demographic variables which include age group, gender, education level, income level, and the presence of children in household. Firstly, age group is one of the determinants which will affect the consumer’s consumption of organic products. In many countries especially Japan and United State, elder citizens tend buy and consume more organic products if compared to young citizens. Besides that, gender plays a prominent role as well. Many surveys find out that women tend to consume more organic products than men. This may due to females feel more responsible for the health of the family than males. They believe that consuming organic products is healthier and better for their family than consuming conventional foods. Third factor would be the education level of consumers.

In general, organic products are usually being offered at a higher price. Thus, only those with higher income would be able to afford for the higher price and tend to consume more organic products. It claims that families with children focus on health more than others. Next, non-demographic variables such as willingness to pay, taste, nutritional value, environmental concern and organic certification would also affect consumer decision while purchasing organic products.

Firstly, willingness to pay is one of the main factors that will affect the consumption of organic products. Some of the studies discovered that consumer willing to pay higher price if they get more information about the products. Such information includes background of the products, characteristic, feature, and safety of the products.
Finally, throughout this research, it was referring to the main factors that are influencing consumer buying intention toward organic products.

**NEED FOR CHOOSING GREEN PRODUCT**

Green label products were chosen as the study in the consumer behavior towards awareness on global warming. For the purpose of this study, green label products covers environmentally friendly products—such as recycled paper products, nontoxic household cleaners and personal products, and organic foods which contains green labels. The study included the general public of Madurai city.

**SIGNIFICANCE OF THE STUDY**

Few researches have been carried out on the consumer behavior on green products specifically in relation to the influences of factors to purchase intentions of green label products. However, there has been a whole wealth of research, attempting to profile the environmentally conscious members of the population. This study will to be significance and beneficial to business in terms of knowing the green market capabilities, especially the market targeted to green consumers.

i. To support the business to better understanding the potential of the green market.

ii. To assist business to well understanding the tendency of green purchasing.

iii. To assist business to better understanding the buying behavior of green consumer.
iv. How marketers to promote and increase awareness for youth consumers toward green products.

STATEMENT OF THE PROBLEM

As India is one of the biggest consumer markets and has great potential for green products, knowledge of predictors of green purchasing may help in development of appropriate marketing strategies to address consumers’ attitude-behaviour gap thereby increasing the purchase of green products. Madurai is one of the important city in Tamilnadu and home to people from diverse backgrounds and cultures. This makes Madurai a good starting point towards developing a sustainable market in India.

OBJECTIVES OF THE STUDY

The main objective of this study is to determine the key antecedents influencing respondent’s intention towards purchasing green products. It seeks to examine and understand whether factors such as Attitudes toward Green Purchase, Perceived Consumer Effectiveness, Health Consciousness, Attitudes toward the Environment and Social Influence will influence purchasing intention of green products.

i. To examine the relationship between Factors influencing Green purchase behavior on Level of Satisfaction

ii. To segment the respondents based on the Green Purchase Behavior dimensions
iii. To examine the association between Green orientation clusters and profile of the respondents

iv. To measure the opinion of the respondents towards Green product attributes, Factors influencing Green purchase behaviour and Attitude towards Green Purchase Behavior

v. To examine the influence of Green orientation clusters on the opinion on Green Product Attributes

vi. To compare the mean value of Factors influencing Green Purchase Behaviour among the Green Orientation clusters

vii. To compare the mean value of Study variables and demographic Profile of the respondents.

HYPOTHESES;

\( H_0 \): There is no significant association between gender of the respondents and Green orientation clusters

\( H_0 \): There is no significant association between age category of the respondents and Green orientation clusters

\( H_0 \): There is no significant association between educational qualification and Green orientation clusters
H₀ There is no significant association between marital status of the respondents and Green orientation clusters

H₀ There is no significant association between Frequency of purchasing Green Products and Green orientation clusters

H₀= There is no significant mean difference among the demographic profile of the respondents with respect to Preference for purchasing green products

H₀= There is no significant mean difference among the demographic profile of the respondents with respect to willingness to recommend green products

RESEARCH METHODOLOGY

RESEARCH DESIGN

A research design is normally considered as a master plan or blueprint which stipulates the methods or procedures for the collection, measurement, and analysis of information. Descriptive research work can be broadly categorized into cross-sectional or longitudinal studies. In a cross-sectional design the data is gathered from any given sample of population at a single point of time, whereas in the case of longitudinal studies a pre-determined sample of respondents is measured repeatedly on the same variables at different point of time. For the sake of convenience, budgetary and time constraints for the present research work a cross-sectional design was used.

RESEARCH PROCESS

The research process used to conduct this study is as follows;

Step 1; Research problem has been identified.

Step 2; Preliminary data relating to the topic were collected

Step 3; A set of hypothesis were formed

Step 4; secondary data was collected

Step 5; A universally tested structured questionnaire was used to collect primary data

Step 6; the collected data was edited, coded and fed into IBM SPSS statistical version 22.0 statistical application for the purpose of data analysis.
Step 7: Data was analysed and various statistical tests & tools were applied in order to get the required research.

Step 8: all necessary interpretations were made based on the Data using all possible tools.

Step 9: a detailed project report was made representing all the research observations, findings and suggestions etc..

SOURCES OF DATA

PRIMARY DATA

Primary data use to test hypothesis and it collection method is from survey data collection.

SECONDARY DATA

Secondary data is use to construct the hypothesis while journals through internet were collected to support research study.

SAMPLING PLAN

A target population is considered as a specified collection of cases from which a researcher analyses a sample and based on the results from the sample are generalized. The target selected for this research is the consumers of green and organic products who are above 18 years old. Convenience sampling is being used in this research work

DURATION OF THE STUDY

The study (Field work) was conducted between

SAMPLING UNIT

As the objective of the study is to study the various factors of products and marketing that affects the expectation and perception of its customer, the sampling unit for this study is whole population in Madurai city.

SAMPLE SIZE

The total number of respondents taken as sample for this study is 400.
SAMPLING METHODOLOGY

Sampling techniques are the methods used to select a sample from its non probability. Convenience sampling techniques is used in this study.

TOOLS FOR ANALYSIS

The data collected from sample analyzed using SPSSv.22. Descriptive analysis. Statistical tests such as cluster analysis, chi square test, Friedman test, Independent sample T Test., Anova tests, multiple linear regressions and structural equation modeling were used for the study.

STRUCTURE OF THE RESEARCH STUDY

The report of the study consists of six chapters. They are listed out in the following paragraphs.

Chapter 1 The introductory chapter “Introduction and Research Design” presents a brief introduction about concept of consumer behaviour. It also states the problems of the study and also describes scope, objectives of the study, operational definitions, discusses the methodology for collection of primary and secondary data, sampling design, hypotheses tested, frame work of the analysis, and concludes with the limitations of the study and the scheme of the report.

• Chapter 2 titled “Overview of Green Marketing in India” presents the characteristics of Green products, Green Marketing and its challenges, Green buying process and Green marketing mix.

• Chapter 3 “Review of Literature “includes the conceptual understanding of the study and the review of previous studies related to various aspects of green marketing and its determinants
• **Chapter 4** “Research Methodology” deals with the research design of the study which encompasses the sources of data, sampling design, sample size, questionnaire design and pilot study.

• **Chapter 5** titled “Analysis and Discussion”. The opening section demonstrates about the preliminary data analysis. The second and third section aims to deal with the descriptive analysis of the research which describes the demographic profile and job related profile of the respondents while the last section deals with the inferential statistics.

• **Chapter 6** deals with the “Summary of Findings, Suggestions and Conclusion”. It highlights the summary of findings of the earlier chapter and offers suggestions based on the study. In addition, the scope for the further research to be carried out in the future is also mentioned in this chapter.

**FINDINGS**

**Summary Statistics of the Respondent’s Demographic Profile**

The results indicated that majority (54.5%) of the respondents are female, A substantial percentage (26.8 per cent and 24.5 percent ) are in the age category of up to 30 years and 31 – 40 years respectively, total of 21.8 per cent were graduates and 23.3 percent were post undergraduates, Most of the respondents were married (60.3%),Around 27.8 per cent of the respondents have other type of occupation and the results indicated that 44.0 per cent of the sample respondents have a monthly income of between rs 20001 - 30000
Summary statistics of Awareness and Purchase habits of respondents towards Green Products

i. The findings revealed that majority 51.5 per cent of the respondents prefer to buy green products from un organized retail outlets, A substantial percentage (41.5 per cent) of the sample respondents spend between rs 1001 – 2000 per month for purchasing green products. The findings indicated that 40.3% of the respondents purchase green products often.

One sample t test revealed significant mean difference with regard to the Green product attributes Style, Durability, Colour, Quality, Design, Size, Variety and Return Policy. Respondents exhibited a higher agreement score on the attribute Quality followed by Durability and Variety.

Opinion on Factors influencing Green purchase behaviour

One sample t test revealed significant mean difference with regard to the Internal factors, Personal value and Motivation while significant mean difference were found with regard to the External factors, References, Packaging, Label, Community and Information. Between the internal factors participants have higher score on “Personal Value” than “Motivation” while among the external factors participants have higher score on “Information” followed by “Label”.

Opinion on dimensions of Attitude towards Green Purchase Behavior

One sample t test revealed significant mean difference with regard Attitudes toward Green Purchase, Perceived Consumer Effectiveness, Health Consciousness, Attitudes toward the Environment and Social Influence. Respondents exhibited a higher score on “Social Influence” followed by “Attitudes toward the Environment” and “Attitudes toward Green Purchase”.
Comparison of Green Product Attributes among the Green Orientation clusters

Independent sample T Test revealed significant mean difference between the two Green Orientation clusters with regard to the Green Product Attributes, Style, Durability, Colour, Quality, Design, Size, Variety and Return Policy. Among the Strong Green Orientation cluster the key attributes perceived by the respondents are quality, durability and variety while the key attributes perceived by the respondents while among the Low Green Orientation cluster the key attributes are Quality, Colour and Variety.

Comparison of Factors influencing Green Purchase Behaviour among the Green Orientation clusters

Independent sample T Test revealed significant mean difference with regard to the Internal factors, Personal value and Motivation while significant mean difference were found with regard to the External factors, References, Packaging, Community, and Information.

Comparison of Level of awareness towards green products and demographic Profile of the respondents

Anova test result revealed significant mean difference among Education, Marital status and Occupation with regard to level of awareness. Among the educational category of respondents post graduates have a higher level of awareness followed by graduates. Between the marital status, married respondents have a higher mean score on level of awareness. Among the occupational category, respondents doing business have a higher level of awareness followed by respondents in public sector and others.
Comparison of Preference for purchasing green products and demographic Profile of the respondents

Anova test result revealed significant mean difference among Gender, Age and Occupation with regard to Preference for purchasing green products. Between the gender, female respondents have a higher Preference for purchasing followed by male respondents. Among the age category those who are in 31-40 years have a higher Preference for purchasing. Among the occupational category, respondents working in public sector have a higher preference for purchasing.

Comparison of Willingness to recommend green products and demographic Profile of the respondents

Anova test result revealed no significant mean difference was found among Gender, Age, Education, Marital status, Occupation and Monthly Income.

Comparison of Purchase Intention and Purchase habits of the respondents

Anova test result revealed significant mean difference among preferred place of purchase and Amount spent per month were found with regard to Purchase Intention. On the basis of preferred place of purchase those who prefer to buy in organized retail outlets have a higher Level of purchase intention. On the basis of amount spent those who spent more than rs 2000 (M = 4.13) have a higher Level of purchase intention.

Impact of Factors influencing Green purchase behavior on Level of Satisfaction
Multiple regression results revealed that the significantly impacting Factors influencing Green purchase behavior on Level of Satisfaction are personal value, motivation, references, label, community and information. Further, personal value is the most influential factor on Level of Satisfaction followed by motivation.

**Structural Equation Modeling**

Significant standardized path coefficients were found between attitudes toward the environment and green purchase intention, between social influence and green purchase intention, between health consciousness and green purchase intention and between perceived consumer effectiveness and green purchase intention. Among the significant predictors, attitude toward the environment is the more significant predictor of green purchase intention.

**Association between amount spent per month for purchasing Green Products and Preferred place of purchase**

Chi square test revealed that the amount spent per month for purchasing Green Products have a significant association with preferred place of purchase. Among those respondents whose preferred place of purchase is online a higher percentage of respondents (30.3%) were found among those respondents who spent more than rs 2000 per month for green products

**SUGGESTIONS;**

This research examines the influence of five antecedents on their purchasing intention of green products. From the results, it is interesting to note that Attitude toward
the environment, social influence, health consciousness and perceived consumer effectiveness significantly influenced their purchasing intention.

Attitude toward the environment is the strongest factor that has positively influenced their purchase intention. This study confirmed that a person who has some concern for the environment would have a stronger preference in purchasing a green product. Attractive green product message contents should be aggressively developed that would stimulate interest among all the educational category and should focus keenly on unmarried respondents. Consumers should be able to easily differentiate green products from the no green based on the labels. Further, the price on the green products should be affordable to encourage purchase. Government and non-government organizations are a strong players that plays an important role in encouraging consumers to go green and embrace green purchasing behavior. Managers could develop the right positioning strategies and an adequate marketing programme after evaluating the attractiveness of the identified green segments. In addition to the regular benefits, environmental and social benefits must be present in order to motivate the consumer to buy.

According to the results of the study it is indicated that the Retail outlet staffs, TV and Friends and Relatives are an essential factor affecting the sources of awareness on green products. In this regard it is suggested that Indian manufacturers for green products must focus on these factors and bring about such strategies in their marketing
plan that correspond to customers’ preference and also possess appropriate coordination with environment.

According to the results of the study it is indicated that green product attributes quality, durability and variety strongly influence the consumers’ understanding and behavior towards environmental friendly features of green products. In this regard in order to achieve desired goal the green products distribution channels must have the following properties:

According to the results of the seventh hypothesis it is indicated that education is an important factor in the rate of consumers’ awareness and affects individuals’ potential talent in addition to their active talent. This can pave the way for learning and understanding positive behaviors to protect environment. It is shown that there is a meaningful relationship between educated people’s attitude towards environmental issues and protecting environment. The growing rate of education in society is a good motive at the face of production and consumption of green products in future.

Social influence was found to have a positive influence on the purchase intention. This result can be explained with the help of consumer socialization theory, which suggests that social groups have a wider influence on people’s consumption. Further, green purchase behaviours are associated with social meanings and values. The higher predictive impact of social influence may also indicate “group effect” on a consumer’s green purchase behaviour. Almost all individuals belong to one social group or another
and some of these social groups might have established “norms” on green purchase behaviour.

The present research work highlights about the key antecedents of green purchasing intention which can be supportive for marketers in designing appropriate marketing strategies for promoting green purchase behaviour among various segments of respondents in Madurai district. The findings of the present study suggest that attitude toward the environment is the more significant predictor of green purchase intention. This implies that future green purchase behaviour can be instilled among prospective consumers by developing favourable attitude towards the environment. Therefore, marketers should try to motivate individuals to get involved in sustainable consumption practices. Such sustainable activities could include maintenance and recycling of used goods, using public transport, etc.

**SUGGESTIONS FOR FUTURE RESEARCH**

For future research, a wide range of areas could be explored based on the initial findings of this thesis. The theoretical area in the professional context especially offers plenty of opportunities for further research. This study has indicated four antecedents are significant predictors of purchase intention and more studies are needed in this area to give support for the initial findings in this paper and to test other relevant determinants.

Secondly, in this study, the hypotheses were tested with cross-sectional survey data. Hence, this study cannot determine the dynamic change of social influence, health consciousness, perceived consumer effectiveness and purchase intention, word in the
different stages through longitudinal data. Therefore, setting a longitudinal study to test the data can give better results in future studies on green products.

In this study green purchase behaviour has been studied across product ranges. In the future, more research should look into the exploration of this framework on specific sectors. The current state of research would benefit from another literature review or meta-study in this particular area. Further research should be conducted on groups based on different characteristics. Most of the research on green purchase behavior examined the determinants of purchase intention in the India. In this context, the present research work contributed to the literature on, green purchase behavior. The current study was carried out in madurai district. A comparative study by a North and a South Indian city may indicate further insights about the role of cultural differences. Also a comprehensive model may be developed which comprises of the antecedents as well as the consequences part of green purchase behaviour which may yield a holistic view on the topic.

Overall the present research work contributed to the existing literature on Green purchase behaviour by investigating its relationship with five pertinent determinants. Marketing and Strategic professionals need to comprehend the importance of Green practices for the effective improvement of the green awareness and find means of promoting such behaviors. Future studies that encompass other antecedents of green behaviour should be carried out within different context in order to enrich literature on green practices.

CONCLUSION
To conclude, “Going green” has become a slogan and being discussed by individuals from all walks of life. The present research work indicates that the key to raise green purchasing intention among the general public lies on four factors, which are Attitudes toward the Environment, Social Influence, Health Consciousness and Perceived Consumer Effectiveness.

Regarding current people lifestyle, green purchase behaviour is given much attention because of many problems such as diseases and green environment. Therefore, marketers must implement appropriate strategies for market segmentation in order to satisfy the green needs and wants.

Overall, the research project has met its objectives to test the relationship between attitudes toward green purchase, perceived consumer effectiveness, health consciousness, attitudes toward the environment, and social influence that relating to the respondents green purchase intention in Madurai district. It cannot be denied that the participants intentions to purchase green products play an important role especially in environmentally friendly industries in order to improve their existing business that will also benefit the customers. Rather than that, the green products can also reduce the harm, to the environment, human, and animals. Besides, this study has included several limitations that was faced by the researcher.

BIBLIOGRAPHY


