
A STUDY OF GREEN MARKETING AWARENESS IN SELECTED AUTOMOBILE COMPANIES AND ITS IMPACT ON THE CONSUMER BUYING BEHAVIOUR

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Abstract

This study reviews the Green marketing practices of automobile industries in Kolhapur District. The objective of the study is to find out Green Marketing awareness in selected automobile companies and its impact on consumers in Kolhapur. Research study was carried out to understand the awareness, attitude and behaviour of consumers in terms of environment more specifically related to automobile sectors in Kolhapur. Vehicular Pollution is one of the biggest threats to human life as it creates air pollution and this pollution exists at that level from where humans use air to breath. Rapid increase of passenger cars and commercial vehicles are one of the main reasons of air pollution in the environment. Green Marketing is the marketing of products that are presumed to be environmentally safe. It includes a wide range of activities i.e. Product modification, changes in the production processes, modification of the advertising messages, etc.

Keywords: Green Marketing strategies, Consumer awareness, Buying behavior, Automobile industries.

1. INTRODUCTION:

Green Marketing is also known as ecological marketing and environmental marketing. It is nothing but promoting environment core values which is seeping slowly into the corporate culture of many organizations and enterprises and forcing the organizations to produce environmental safe products and practice green marketing philosophy. Studies have shown that, consumers are gaining awareness on the

importance of environment friendly product, impact of environment on human life and they prefer green products to those that harm the environment.

Transportation sector is noted to be a critical infrastructure required for economic growth (Raghuram & Babu, 2001). Reducing poverty is a huge task for India. Perhaps, India is one country where more people living in below poverty line than any other country in the world. It is also a fact that, faster economic growth is essential to eradicate poverty if not fully but to a certain extent. Although, India has progressed a lot on this aspect since the initiation of economic reform in 1991, poor transportation system more particularly road transportation is a setback for the economic progress.

Green Marketing awareness will have substantial impact and influence on climate change and minimize the pollution also reduce the usage of fossil fuel will have positive influence on environment.

As indicated by the Annual Convention report of Society of Indian Automobile Manufacturers (SIAM), Indian vehicle industry as of now records for just about 7% of our GDP and utilizing around 19 million individuals both specifically and in a roundabout way.

MEANING & DEFINITIONS OF GREEN MARKETING

Green marketing is not simply making green claims or publicizing or bundling. It involves a great deal more than picture building. It is a considerably more extensive idea and includes all the marketing exercises which the organizations attempt to make a positive effect or diminish the inconvenient effect of their item or administrations on nature.

Green marketing is not just making green claims or advertising or packaging. It entails much more than image building. It is a much broader concept and encompasses all the marketing activities which the firms undertake to create a positive impact or lessen the detrimental impact of their product or services on the environment (Jain & Kaur, 2003a).

Green Marketing entails various activities include market research to identify the market and target segment for the green product, studying the consumers "awareness, attitude and behaviour regarding the green products, positioning and creating brand image of the products and developing a green marketing mix programme (Jain & Kaur, 2003b)

The American Marketing Association defines Green Marketing as “the marketing of products that are presumed to be environmentally safe for the consumers”. It includes a wide range of activities, viz. product modification, changes in the production processes, modification of the advertising messages, changes in the packaging of the products, etc.

Queensland Government EPA defines Green Marketing “as one that involves developing and promoting products and services, which the customer desires, for quality, performance, affordability, and convenience, without having a detrimental effect on the environment.”

Objective of the Study:

- To study the awareness of Green Marketing and its impact on the consumer buying behaviour in automobile companies in Kolhapur.
- To study the impact of green marketing on consumer buying behaviour.
- To study the extent of implementation of Green Marketing strategies among automobile companies.
- To study the benefits of green marketing by automobile companies in Kolhapur to consumers.
- To study the consumer’s awareness and preferences of eco-friendly automobile products.
- To understand the role of green marketing in the automobile industry.

2. REVIEW OF LITERATURE

1. Oyewole, P. (2001). Social Costs of Environmental Justice Associated with the Practice of Green Marketing. *Journal of Business Ethics*, 29(3), Feb, pp. 239-252. This paper presents a conceptual link among green marketing, environmental justice, and industrial ecology. It argues for greater awareness of environmental justice in the practice for green marketing. In contrast with the type of costs commonly discussed in the literature, the paper identified another type of costs, termed 'costs with positive results,' that may be associated with the presence of environmental justice in green marketing. A research agenda is finally suggested to determine consumers' awareness of environmental justice, and their willingness to bear the costs associated with it.

2. Meriläinen, S., Moisander, J. & Personen, S. (2000). The Masculine Mindset of Environmental Management and Green Marketing. *Business Strategy and the Environment*, 9(3), pp. 151-162. Environmental management systems and green

marketing programmes have gained increasing popularity in western market economies. They are viewed as cost-efficient, effective and just means of tackling problems associated with the impact of economic activity on the environment. It is argued in this article, however, that these optimistic views are based on a number of ideas, images and metaphors that retain many androcentric and inadequate assumptions about self, society and nature that may be incompatible with long-term environmental protection goals.

3. Prothero, A. & Fitchett, J.A. (2000). Greening Capitalism: Opportunities for Green Community. *Journal of Macro marketing*, 20(1), pp. 46-56. In this paper, the authors argue that greater ecological enlightenment can be secured through capitalism by using the characteristics of commodity culture to further progress environmental goals.

4. Prothero, A. (1998). Green Marketing: The 'Fad' That Won't Slip Slide Away. *Journal of Marketing Management*, 14(6), July, pp. 507-513. The author introduces several papers discussed in the July 1998 issue of 'Journal of Marketing Management' focusing on green marketing. This includes; a citation of the need to review existing literature on green marketing, an empirical study of United States and Australian marketing managers, a description of what a green alliance look like in practice in Great Britain, ecotourism and definitions of green marketing.

3. GREEN MARKETING - NEEDS & BENEFITS

It is reported that, approximately two million people worldwide die from air pollution each year. According to data collected by the WHO from nearly 1,100 cities across 91 countries, elevated level of fine particle pollution, which could cause heart diseases, lung cancer, asthma and acute lower respiratory infections, are common across many urban areas, with some cities registering pollution levels 15 times as much as the WHO guidelines.

Air pollution is considered as one of the very serious environmental problems of the urban Asian cities including India where health related problems such as respiratory diseases, lung cancer, asthma etc. is reported due to most of the population get exposed to poor quality of air. Besides the health related problem, monetary losses due to medical assistance would also be on cards.

The rapid urbanization in India has also experienced a rapid increase of the number of vehicles. Vehicular Pollution or pollution arising out of vehicle is one of the biggest threats to human life as it creates air pollution and this pollution exists at that

level from where humans use air to breath. Rapid increase of passenger cars and commercial vehicles are one of the main reasons of air pollution in the environment.

India is one of the most vibrant and largest economics in the world and will continue to be so for the next two decades. The Indian economy has been growing between 7 to 8% a year since long and is likely to grow for the next two decades. India is likely to have a GDP of USD 4 trillion and a population of 1.5 billion by 2030. The trend of economic growth is a good sign for the developing country like India.

Benefits of Green marketing:

- Market Share
- Customer Satisfaction
- Competitive Advantage
- Profitability
- Positive Organization Image
- Sustainable Development.

Benefits of Green Marketing:

Green based products create less waste, use fewer raw materials, and saves energy.

1. **Competitive Advantage:** Companies that are first to put their environmental innovation on the shelf enjoys competitive advantage.
2. **Increased Market Share:** Brand loyalty is near all-time low.
3. **Better Products:** Green based products are higher in quality in terms of energy saving, performance, convenience, safety, etc.
4. **Personal Rewards:** Green products offer consumers with the benefits of healthier, more fulfilled lives and power to make the world a better place.
5. **Better Physical Environment:** Well-co-ordinated use of all green marketing strategies will result in better physical environment in terms of reduced air and water pollution, waste energy depletion, global warming, deforestation, depletion of natural resources, and rate of landfills.
6. **Sustainable Development:** meeting the needs of the present without compromising the ability of future generations to meet their needs

Consumer buying behaviour - Green Products

McKinsey Quarterly, Mar 2008 report based on the survey conducted in Brazil, Canada, France, Germany, India, United Kingdom and the United States has revealed that, consumers say that they are concerned about the environment and worried about the air

pollution, depletion of natural resources, hole in the ozone layers, shrinking of animal habitat etc.

Further to this, the report has indicated that, 87% of these consumers are concerned about the environmental and social impacts of the products they buy. However, when it comes to actual purchase, the purchase behaviour differs from what they say.

It may be because of consumer's laziness, not sincere towards environment. But, it may not be the only reason for not buying the green product. It may be consumers are not properly educated about the benefit of green products or it may be firms are not being able to make the green products which can satisfy consumers by fulfilling their needs.

Many customers buy Green Product for non-green reason without even knowing that they are green or not necessarily for environmental reasons while buying the product. For example, recycle or biodegradable paper products like napkins, towels, computer paper etc.

Barriers of Green Buying Behaviour

- Lack of Awareness
- Negative Perceptions
- Distrust
- High Prices
- Low Availability

Steps to Remove the Barriers

- Educate Consumers:
- Build Better Products:
- Be Honest
- Offer More
- Bring products to the People

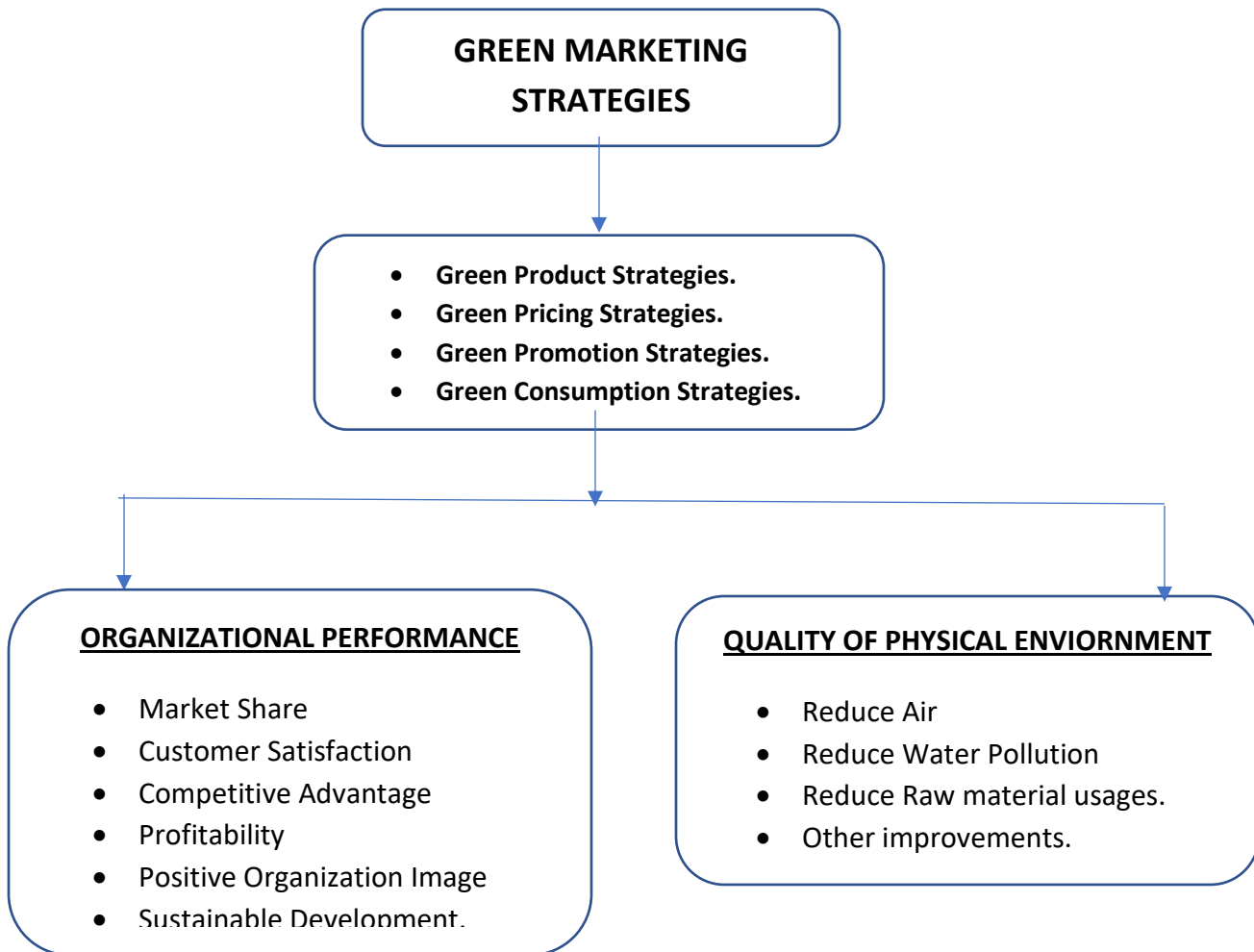
4. THE SAMPLING METHOD FOR STUDY OF AUTOMOBILE SECTOR:

The study is based on both primary as well as secondary data. Primary data collected through online questionnaire using Google docs was designed and its link was send to 25 respondents residing in Kolhapur city. Secondary data were collected by conducting

a comprehensive literature survey of text books, national and international referred journals, magazines, newspapers, government publications, websites etc. The research study was conducted in Kolhapur regions of Maharashtra.

5. GREEN MARKETING STRATEGIES :

GREEN MARKETING STRATEGIES IN AUTOMOBILE SECTOR



1. Green based product strategies

- Comprise any or a combination of recycling, reduction of packaging material which is compostable, re consumption, using sustainable sources of raw materials, making products more durable, safe for disposal, repairable, making products and packaging's that are compostable, and making products that are safer or more pleasant to use

2. Green based pricing strategies -

Environmentally responsible products are often less expensive when product life cycle cost is taken into consideration; for example, fuel efficient bio diesel vehicles. Any environmental friendly new technology is expensive when it is introduced in the market for the first time. As the market expands and volume grows, price drops.

3. Green based promotion strategies -

It is an activity of promoting products as having characteristics that do not harm the natural environment (Polansky et al, 1997). Green marketers will be able to reinforce environmental credibility by using sustainable marketing, promote green lifestyle with or without highlighting a product or service, and provide performance reassurance.

4. Green consumption strategy -

Change of consumer behaviour from consumption culture to ecology concerned consumers encourage green consumption.

SCOPE OF THE STUDY:

The scope of survey was limited to Kolhapur region. The awareness level on all attributes in Kolhapur is found to be it comes to what "green" means. Kolhapur is more familiar with the meaning of the term "Green".

The automobile sector has tremendous scope to improve in terms of environmental impacts at various steps of the production process right from sourcing raw materials, to the manufacturing process, to the pollution caused by the use of the vehicle, and finally the impact caused by its disposal.

6. FINDINGS & CONCLUSIONS

- According to study most of customers have aware about the Green Marketing and its impact on the buying behaviour in automobile companies in Kolhapur. (Table No.1)
- According to this study the consumers are fully aware about the product and also give preferences of eco-friendly automobile products.
- To understand the role of green marketing in the automobile industry.

Marketers should play crucial role since they have the accountability to make the consumer understand the need for and benefits of green products as compared to non-

green ones. In these times, Green marketing assumes even more importance and relevance in developing countries like India.

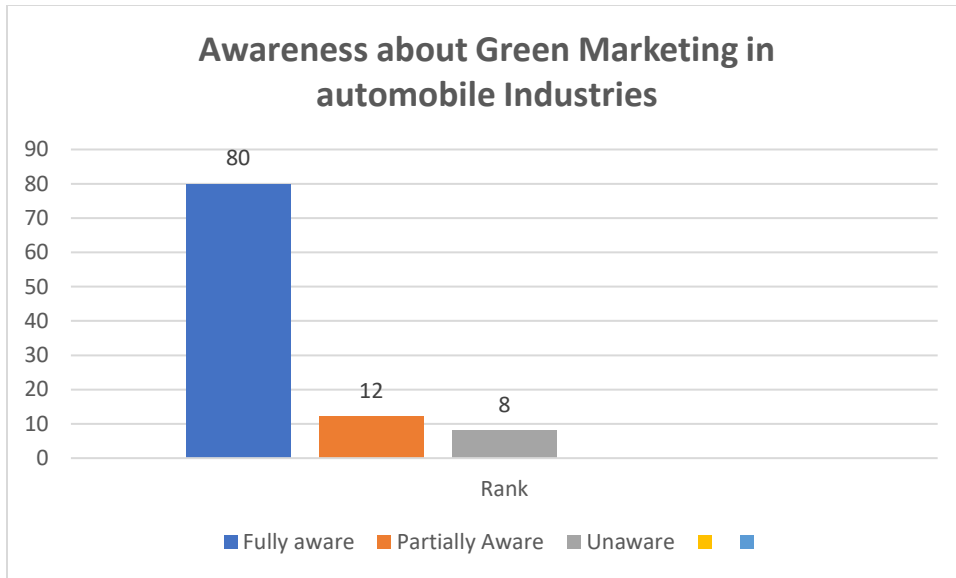
To identify know the effect of green marketing practices of automobile manufacturing companies on consumers, it is imperative and important for the researcher to know how "Green" the consumers are in terms of their knowledge, their attitudes and behaviour. Environmental attitude or green attitude is identified as the judgment of an individual towards the protection and promotion of the environment.

Research and in-depth study was carried out to understand the awareness, attitude and behaviour of consumers in terms of environment more specifically related to automobile sectors and the findings of the same are discussed in the subsequent paragraphs.

It has been easily observed that consumers (car owners) are aware that, vehicle emissions are the largest contributor to pollution and auto fuel is the main reason of emission. Further to this, they are also aware that, CNG is the most environment friendly auto fuel. Most of the car owners are aware of the term 'Global Warming' but very few are aware of the term 'Green Marketing'.

It can be concluded that, people are discussing about the Global Warming in different forums, but Green Marketing being the new concept has not been known to many. Further to this, most of the car consumers feel four wheelers available in our country are not environmental friendly and companies charge exorbitant prices for environment friendly cars and only few consumers believe that, automobile companies follow green practices.

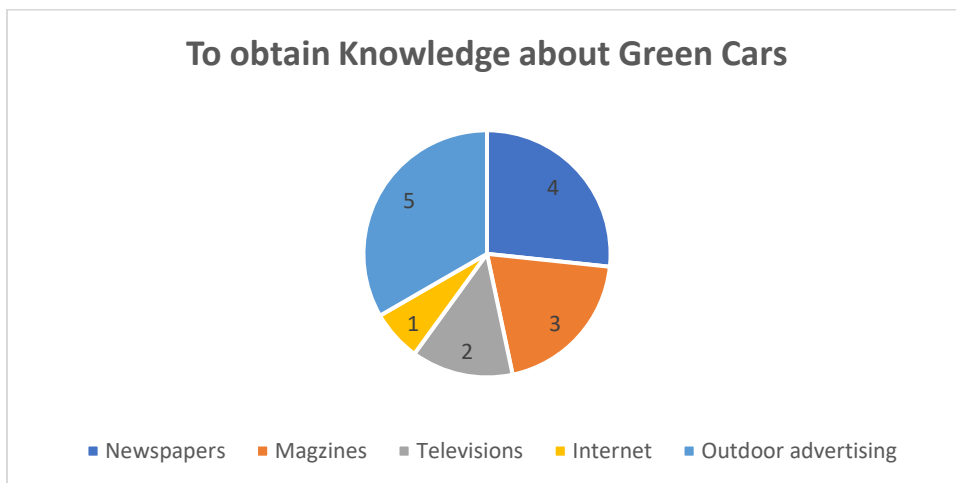
Table No. 1 Awareness about Green Marketing in automobile Industries:



Source: Primary Data

Out of 25 respondents were surveyed for analysing the awareness of green marketing on consumer’s buying behaviour with respect to Automobile sector. Out of the respondents surveyed 80 per cent were fully aware about green vehicles and environmental benefits, 12 per cent respondents were partially aware of that and 8 per cent respondents were totally unaware about the green cars. Thus it can be inferred that out of the respondents’ surveyed, larger section of respondents was knowledgeable about green vehicles.

Table 2. To obtain Knowledge about Green Cars



Source: Primary Data

It depicts the sources of knowledge about green cars among respondents. Out of the 25 respondents surveyed majority become aware about green vehicles through internet sources and magazines

RECOMMENDATIONS & SUGGESTION

The following are the recommendations and suggestions obtained from the research performed:

As far as possible, government should provide subsidies and financial benefits including insurance options on green vehicles so that the sale of such products can be boosted. Test Drives should be provided as to increase awareness about operational efficiency of the product. Companies should conduct Research & Development and encouraged to produce eco-friendly vehicles.

- There is significant impact of green marketing on consumer buying behaviour with respect to the automobile industry.
- Respondents are aware of environmental issues.
- Awareness of green marketing differs in different age groups.
- In spite awareness people do not act accordingly.
- Companies should do research and great a sense of belonging towards the environment to survive in the market.
- Every age group should be informed of depleting fossil fuels and should be encouraged to take action.
- Companies should be encouraged to produce eco-friendly vehicles.
- Consumers should be able to compile all amenities in eco-friendly vehicles to gain customers.

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