

GREEN MARKETING IS FAD OR REALITY: CONSUMER PERCEPTION IN INDIAN FMCG SECTOR

DR. TEJAS DAVE

ASSOCIATE PROFESSOR, SCHOOL OF LIBERAL STUDIES
PANDIT DEENDAYAL PETROLEUM UNIVERSITY, GANDHINAGAR, GUJARAT,
INDIA

tejas.dave@sls.pdpu.ac.in

INTRODUCTION:

A “Homo Sapiens Sapiens” is a species who has changed physical appearance of the globe for its own benefit in a few centuries. I think this would be the statement of any external party (i.e Alien) of the universe if it summarizes the change which our human societies have made to this world. Like every other species in the sphere, humans have incessantly enhanced their skill, knowledge and capabilities through experience and experiments. But more importantly, the process of transformation and up gradation of this skill and knowledge were remarkably faster and this has given commanding position to these humans to dominate this world. In last couple of centuries, the human societies have done all sorts of exploitation of natural resources and global environment with complete ignorance of its long and short term impacts on eco system of the globe.

In last two decades, India has observed substantial growth in economic front. This growth has given opportunities to many national and international companies to serve new products and services to Indian consumers. The Indian consumers are also inclined towards brands of renowned companies. The product and brand awareness have also substantially increased among Indian consumers. The marketers have also realized the need of innovation in product and brand positioning strategies.

The competition is specifically intensified in Fast Moving Consumer Goods (FMCG) markets as it deals with consumable products and apparently consumers switching cost is very nominal from one brand to another brand. The corporate have started search of new innovative marketing practices to consolidate their position in market. Out of different practices, the green marketing is considered as an effective tool to maintain and enrich brand loyalty of customers in Indian FMCG market. It is also assumed that due to improvement of literacy rate in India, consumers prefer to consume products which are environment friendly and are manufactured with natural ingredients.

LITERATURE REVIEW

The paper of Sandeep Tiwari, Durgesh Mani Tripathi, Upasana Srivastava and Yadav P.K.(2011) highlights importance of green marketing for corporate and consumers. It also presented the historical reasons behind evolvement of green marketing concept. The paper highlighted magnitude of the green marketing practices for sustainable growth by protecting the economical, social and environmental interest on global scale. The paper suggested that the goal congruence is required among all the members of value delivery networks to fulfil the goal of green marketing. The issues and strategies pertaining to marketing mix are presented in the paper. The paper also emphasized on importance of education to consumers to enhance their awareness and sensitivity about green marketing.

The paper of P.Nagarajan (2016) presented SWOT analysis of green marketing. It has also presented historical facts about the green marketing. The author has presented seven rules for corporate for better penetration of green marketing with sustainable business growth. In India, still the green marketing is in infant stage and more efforts are required from corporate side in terms of realignment of supply chain network for proper application of green marketing.

The paper of Azmat Ullah (2018) is about Bangladesh and the researcher attempted to understand consumer's belief and attitudes about green marketing. The findings of sample survey are presented in the paper. The author

has tested five hypotheses pertaining to consumer belief and attitude through sample survey. The Chi-square test is used to test the hypothesis. The data were collected from well educated respondents as more than 90 percentage respondents were having master degree in their qualification. The finding presented that the majority of respondents are aware about green marketing and duly endorsed its importance. The result also showed the willingness of respondents to pay extra amount to procure green products. The finding also highlighted the willingness of respondents to encourage other people to use green products and services. It also says that the well informed consumers are now encouraging corporate to follow green marketing practices in their business.

SCOPE, OBJECTIVES AND RESEARCH DESIGN:

The literature review clearly indicates the importance of the green marketing practices. It is not required only to get business from the market but it is also required to provide sustainable future to the global eco system. The scope of the research is extremely wide and covers every member of the supply chain upstream and downstream networks. The primary research mainly focuses on downstream network of the supply chain and responses were taken from 185 consumers of FMCG products. There are mainly three industries; Food and beverages, Personal Care and household goods are covered in primary research. The research aims to fulfil following objectives.

1. To understand level of understanding and knowledge of consumers about green marketing concept.
2. To understand perception of consumers about green marketing practices implemented by corporate.
3. The role of governments in promotion of green marketing practices in different markets.
4. The role of media in promotion of green marketing in different markets.

From the literature review, following hypotheses are identified and tested for three different industries of FMCG sector.

1. H_0 : In all three FMCG industries, consumers are having in depth knowledge of green marketing practices.
2. H_0 : In all three FMCG industries, consumers prefer to buy green product irrespective of price.
3. H_0 : In all three FMCG industries, the word green has power to influence purchasing decision of consumers.

DEVELOPMENT & TESTING OF HYPOTHESES

Sr. No	Statement	Result
1	H_0 : In all three FMCG industries, consumers are having in depth knowledge of green marketing practices. H_1 : In all three FMCG industries, consumers are not having same in depth knowledge of green marketing practices.	ANOVA Test Numerator Degree of freedom: 2 Denominator Degree of freedom: 537 Level of significance: 0.05 Acceptance limit:3 F Statistic : 23.97 Ho is rejected
2	H_0 : In all three FMCG industries, consumers prefer to buy green product irrespective of price. H_1 : In all three FMCG industries, consumers give equal consideration to price along with green tag of the product.	ANOVA Test Numerator Degree of freedom: 2 Denominator Degree of freedom: 537 Level of significance: 0.05 Acceptance limit:3 F Statistic : 34.98 Ho is rejected
3	H_0 : In all three FMCG industries, the word green has power to influence purchasing decision of consumers. H_1 : In all three FMCG industries, the word green has not equal influencing power in purchasing decision of consumers.	ANOVA Test Numerator Degree of freedom: 2 Denominator Degree of freedom: 537 Level of significance: 0.05 Acceptance limit:3 F Statistic : 42.55 Ho is rejected

Hypothesis 1:

The rejected null hypothesis indicates that in all three FMCG industries, the knowledge of green marketing practices and product is different. In “Food and Beverages” and “Personal care” products, consumers are more aware and conscious about green marketing practices and also giving due importance to green products. The application of the product is also another reason, as they are directly consumed/ used by individuals.

Hypothesis 2:

The rejected null hypothesis denotes the importance of price factor in consumer buying decision. In personal care industry, the consumers have given higher importance to price. It shows that the green marketing is not the main influencing factor in buying decision of consumers. Many consumers believe that the green marketing is one of add on tool of marketing for many companies and very few of them are actually following it their value chain network. The consumers also believe that the green products are more expensive compare to other options.

Hypothesis 3:

The null hypothesis is rejected. It shows that the influencing power of “Green” is very limited and applicable in few industries only. The limited knowledge of consumer about green marketing practices and product is also another reason behind it. The consumers directly associate final product when “green” word is communicated. The lack of communication from corporate and marketers about their green marketing practices is also important reason behind limited knowledge of consumers.

MAJOR FINDINGS AND DISCUSSION – PRIMARY RESEARCH

- ✓ The majority of respondents (62%) believe that the green products are good for the health. Now the internet and social media are also playing important role in knowledge and information enhancement of the Indian consumers. In the downstream network of the supply chain specifically at the level of retail stores, the sales people are also playing important role in educating customer about green products.
- ✓ Regarding location of the sales of the “green products”, there is a dearth of knowledge. The consumers are normally selecting specific brand and then search location for it. Many respondents have shown their preference of online platform to buy green products.
- ✓ The majority of respondents are agreeing with the long term benefit of green marketing practices (73%). They also believe that the encouragement and support are required from government side to corporate to focus more on green practices.
- ✓ Regarding certification, symbol and testimonials, the consumers are not having comprehensive knowledge about it. They believe that the proper communication and promotions are required to increase awareness and sensitivity of consumers.
- ✓ The majority of respondents (68%) believe that the media can play very decisive role in influencing buying behaviour of the consumer in green marketing. They also believe that the media needs to build trust of the consumers in their communication. Majority of the respondents believe that the media is playing a role of middle man/ marketer in the communication and they attempt to manipulate consumers for the business.
- ✓ Regarding influencing capabilities of individual media, still the television is on the top in the list. The social media is second in the list and it is effective for the companies those who want to target young urban youth of India. The consumers have acknowledged the importance of newspaper and other print media but they believe that the internet and mobile platform will transform the market within couple of decades.
- ✓ The majority of respondents have acknowledged the importance of green marketing practices to save globe. But in FMCG sector, the consumers do not consider significant different between green and non-green product segments. Many of the consumers (47% of respondents) believe that the green marketing practices and promotion of green products are merely marketing gimmicks and they are used only to generate business from the markets.
- ✓ The respondents (74 %) also believe that the governments need to provide substantial financial rewards to the corporate to encourage them to focus more on green supply chain.
- ✓ The survey results show that in recent past now the awareness of recyclable packaging material has been increased in India. The governments are also taking this issue seriously and in many states production and usage of non-recyclable packaging materials are banned and heavy penalty has been imposed for lawbreakers.
- ✓ The role of reference group (78% of respondents) is critical in infiltration of green marketing and green products. The social media penetration in last one decade has changed the operational modalities of reference group communication. Now real time communication to masses is possible anywhere in the globe through social media.
- ✓ Regarding point of sales preference, the majority of respondents have preferred exclusive stores and e-commerce. They believe that the authenticity is comparatively high when you buy such types of FMCG goods. They also believe that the threat of counterfeit brands is minimal in case of these two POS options.

CONCLUSION

The “Green Marketing” and “Green Products” are more than buzz words. To provide sustainable future to the globe, comprehensive vision is required of all stakeholders. It is not the responsibility of a few individuals. The research indicates that the top down approach is the better option for successful outcomes of green marketing. The governments need to form long term and short term strategies for the different industries to make the green marketing effective and also financially viable business solution. In future the media and specifically social media will play important role in green marketing. It is also important to sensitize consumers to buy green product which are manufactured by green ingredients and manufactured through green processes. The active support of corporate is also required in this process and governments and international agencies need to motivate, support and force corporate to redesign their supply chain with inclusion of green manufacturing and marketing practices.

REFERENCES

1. Azmat Ullah (2018), Consumer’s Beliefs and Attitudes toward Green Marketing in Bangladesh, *Journal of Accounting & Marketing*, Volume 7 - Issue 3- 1000291, ISSN: 2168-9601
2. P.Nagarajan (2016), Strengths, Weakness, Opportunities and Threats of Green Marketing, *International Journal of scientific research and management (IJSRM,)* Volume, 4, Issue 04, Pages 4059-4061, ISSN (e): 2321-3418
3. Sandeep Tiwari, Durgesh Mani Tripathi, Upasana Srivastava, Yadav P.K.(2011), Green Marketing – Emerging Dimensions, *Journal of Business Excellence*, ISSN: 0976–7711 & E-ISSN: 0976–772X, Vol. 2, Issue 1, 2011, PP-18-23