

Chapter I

CHAPTER I

INTRODUCTION

Natural resources are limited and human needs are unlimited, thus recyclable or renewable goods are needed to fulfil the unlimited requirements of a customer. As industries are having limited resources, they have to search for new and alternative ways to satisfy the consumer needs. Nowadays, consumers have deep insight about environmental issues and the causes of global warming, loss of biodiversity, non-biodegradable solid waste, air or water pollution and health issues. Social movements and media also enhance consumers' attention towards the environmental effects of a product. Increasing environmental problems and changing consumer consumption pattern will have an impact on all living beings in the world. Government, business people and individuals should take the responsibility to conserve the eco system by accepting 'Going Green' concept. The term "marketing" is moving towards "consumer satisfaction along with environment protection". To overcome the environmental problems and changes in consumer attitude shift is towards a green life style. American Marketing Association (AMA) held the first workshop on "Ecological Marketing" in 1975, and defined "Green marketing as the marketing of products that are environmentally safe". It incorporates creating awareness amongst industrialists, marketers to stick on to eco-compliance in production process.

With the exponential growth in the economy, India is one among the fastest growing ones among BRIC – Brazil, Russia, India and China. India has started promoting sustainable development for a better future. The government and legislatures are using their influence to decrease environmental and health hazards because of industrialization and increasing population to induce the development of cleaner technologies. The Central Pollution Control Board (CPCB) has developed National Standards for Effluents and Emission under the statutory powers of the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981. These standards have been approved and notified by the Government of India, Ministry of Environment & Forests, under Section 25 of the Environmental (Protection) Act, 1986. Environmental Information System (ENVIS) has been established as a planned program and as a comprehensive network in environmental information collection, collation, storage, retrieval and dissemination to varying users. The focus of ENVIS since inception has

been on providing this environmental information to decision makers, policy planners, scientists and engineers, research workers, etc all over the country. ENVIS Centres have been set up in the areas of pollution control, toxic chemicals, central and offshore ecology, environmentally sound and appropriate technology, bio-degradation of wastes and environment management in different organisations in the country.

1.1 STATEMENT OF THE PROBLEM

Environmental issues are the main concern for the entire world and human beings. In our country environment is severely affected by rapid industrialization, unplanned urbanization, increasing population and changing consumption patterns of the consumers. The excessive use of energy, non-renewable natural resources, chemical contents in food products, unfriendly environmental production processes, the emission of toxic gases, climate changes and also the environmental disasters such as global warming, ozone depletion, climate change, deforestation, water pollution, air pollution, genetic pollution and landfills, etc., are the major environmental issues. Therefore, protecting the environment has become a major concern for the society. Consumers have come to know the seriousness of increasing environmental problems, thus they look for opportunities to behave in an environmentally friendly way. As society becomes more concerned with the natural environment, business people have started to modify their normal business practices to green practice. Marketers face problems in understanding consumers' attitude, behaviour and preference. With this background, the present study deals with environmental consciousness among the consumers, their degree of awareness, attitude, purchase behavior towards eco friendly products and also their perception towards green products and the problems faced by them in buying selected green products. The study also includes retailers' perception, problems and promotional strategies for selling eco friendly products.

1.2 OBJECTIVES OF THE STUDY

The following have been the major objectives of the study:

- (i) To understand the socio-economic background, awareness and purchase pattern of consumers of eco friendly products
- (ii) To analyse the consumers' perception and level of satisfaction towards eco-friendly products
- (iii) To examine the feasibility of developing a model relating to relationship among perception, purchase behaviour and satisfaction of green consumers.
- (iv) To study the retailers' perception of eco-friendly products and green consumers' buying pattern

1.3 HYPOTHESES

Based on the above objectives, the following hypotheses have been framed and tested:

- ❖ Demographic profile of green consumers have no significant association with their awareness and purchase pattern of eco friendly products
- ❖ Consumers' perception and level of satisfaction about eco friendly products do not vary significantly when they are classified based on their socio-economic profile
- ❖ Retailers' perception about eco friendly products and green consumers' buying pattern do not vary based on their business profile

The above research hypotheses have been broken into simple working null hypotheses and have been tested in this study.

1.4 GREEN PRODUCTS

Shamdasami et al., (1993) defined green product as the product that will not pollute the earth or deplete natural resources, and can be recycled or conserved. Nimse et al. (2007) defined green products as those that use recyclable materials, least wastage and reduce the use of water and energy and generate less toxic substances. In other words, green products which are known as environmentally friendly or ecological products have less harmful effect to human and environment.

Green products selected for Study

Based on the green features the green products taken for this study have been classified as follows:

- (i) **Solar products (Renewable energy)** - Solar Water heater, Solar emergency light, Solar fan, Solar home power, Solar charger
- (ii) **Durables (3 Star or 5 star energy saving products)** - Television, Refrigerator, Washing machine, Air conditioner, Computer, Microwave oven,
- (iii) **Non durables** - Health / Beauty / Personal care products – Soap, Shampoo, Paste, Detergents, Cosmetics
- (iv) **Organic food products (Naturally grown)** - Fruits, Vegetables, Millets
- (v) **Stationery products (Eco-labeled/recycled)** - Paper Cups / Bowls, Tissues, Garbage bag, Kitchen roll, Toilet roll, Note books

1.5 RESEARCH METHODOLOGY

1.5.1 Sampling design

A sample of 400 green consumers have been chosen using Multi Stage Random Sampling Technique. The respondents targeted are consumers residing in the city of Coimbatore who have purchased at least two product categories out of the five selected for the study. A family has been considered as a sampling unit and one member of the family has been the respondent. A sample of 100 retailers dealing in the selected product categories have been chosen for the study using Purposive Sampling Technique.

Pilot study has been carried out by collecting primary data from 30 respondents through interview schedule. Based upon the reliability and validity tests necessary changes have been incorporated in the schedule.

1.5.2 Source of Data

Both primary and secondary data have been used for the study. Interview schedule has been designed for the consumers and retailers to express their opinion.

The primary data collected from the sample respondents of Coimbatore city have been properly stored, classified, edited, tabulated in a systematic manner analysed by applying appropriate statistical tools.

Secondary data have been obtained from the websites, published books, articles, journals, magazines, published and unpublished research works.

1.5.3 Period of study

The study has been undertaken from 2013 to 2016.

1.5.4 Framework of Analysis

The following statistical tools have been applied to analyse the primary data collected from green consumers and retailers using the interview schedule:

- Percentage Analysis
- Descriptive Statistics
- Chi-square test
- Analysis of Variance (ANOVA)
- t-Test

- Mean Rank Analysis
- Kendall's Co-efficient of Concordance
- Multiple Regression analysis
- Factor Analysis and
- Structural Equation Modelling

1.6 SCOPE OF THE STUDY

The study covers the consumers in Coimbatore who are using green products and retailers who are selling green products. The study identifies consumer awareness, buying pattern and their perception towards green products. The study also focuses on retailers' opinion about consumers' buying pattern and their perception towards select eco-friendly products. There are plenty of green products available in the market, but only five categories of commonly used green products have been chosen based on their green features. Green products taken for this study are solar products, durables, non-durables, organic food products and stationery items.

1.7 IMPORTANCE OF THE STUDY

One of the biggest challenges faced in the present day situation is to protect and preserve the earth's resources and the environment. Being green is no longer a cost of doing business; it is a catalyst for innovation, new market opportunity, and wealth creation. Going green is possible with the assistance of federal and state governments, local municipalities, water districts and electric companies that offer tax incentives and rebates. This study helps the manufacturers and retailers as an opportunity to develop their green strategies to meet green consumers' needs and expectations to sustain in the market.

Since only very few research studies have been conducted with respect to consumers' and retailers' perception towards green products this study will be a major research contribution. The findings of the study would help the government to take initiatives to promote green products. This would benefit both the consumers and the manufacturers.

1.8 LIMITATIONS OF THE STUDY

Some of the major limitations of the present study are as follows:

- The study has been restricted to Coimbatore city.
- The study is made to know the perception towards only five categories of green products among consumers and retailers.

1.9 OPERATIONAL DEFINITIONS

Environment

Environment means the physical surroundings in which a person, animal or plant lives, but it also includes objects and natural forces.

Environmental concern

Environmental concern refers to the environmental problems like global warming, acid rain, air pollution, urban sprawl, waste disposal, ozone layer depletion, water pollution, climate change and many more affect every human, animal and nation on this planet.

Environmental issues

Environmental issues refer the harmful effects of human activity on the biophysical environment.

- **Global warming** - an increase in the earth's average atmospheric temperature that causes corresponding changes in climate and that may result from the greenhouse effect.
- **Loss of bio diversity** – habitat loss, degradation and destruction of tropical forests.
- **Pollution** (air / water/ land / soil) - means the presence of substance in the air, water, and land, which has adverse effects on living organs and on environment. Our environment is in danger due to pollution.

Air - air pollution is the contamination of air by smoke and harmful gases, mainly oxides of carbon, sulfur, and nitrogen.

Land pollution - is the degradation of the Earth's surface caused by a misuse of resources and improper disposal of waste.

Water pollution - is the contamination of any body of water (lakes, groundwater, oceans, etc).

Soil pollution - mainly occurs through agricultural chemicals. These are pesticides and fertilizers. These pesticides directly or indirectly injure other animals and human being.

Genetic pollution - Some genetic disorders are caused by acquired changes in a pre existing gene or group of genes. Changes can occur either randomly or due to some environmental exposure.

- **Green gas emissions** - The main human sources of GHG emissions are, fossil fuel use, deforestation, intensive livestock farming, use of synthetic fertilizers and industrial processes.
- **Deforestation** - is the permanent destruction of forests in order to make the land available for other uses.

Green Marketing

Green marketing refers to the process of selling products and services based on their environmental benefits. Other similar terms used in this study is ecological marketing, environmental marketing and sustainable marketing.

Green consumer

Green consumer refers to those individuals who are care about environment and willing to purchase eco friendly products.

Green seal certification

Green seal certification is a process that ensures that a product meets rigorous performance, health, and environmental criteria. Green Seal offers certification for the products, services, and companies that meet Green Seal standards.

Eco consciousness

This refers to awareness about environmental issues among the people and their interest in protecting environment.

Eco literacy

Eco literacy refers to the people's understanding and awareness of issues regarding the environment and their support for eco products and care for environment.

Speciality shop

Speciality shop is a small retail outlet that offers specific and specialized types of items. These stores focus on selling a particular brand or a particular type of product.

Simple retail shop

Simple retail shops sell the goods to end users, not for resale, but for use and consumption by the purchaser.

1.10 CHAPTER SCHEME

The present study is organized into seven chapters.

Chapter I deals with the introduction of the study, statement of the problem, objectives of the study, hypotheses, research methodology, scope of the study, importance of the study, limitations of the study and chapter scheme.

Chapter II presents the review of various research works undertaken in the field relating to the present study.

Chapter III green marketing an overview – ISO international standards, green marketing practices in India, role of Indian Government, green marketing mix, green consumers, green certification, green products taken for the study, retailers dealing in green products and challenges in green marketing.

Chapter IV analyses the green consumers demographic profile, awareness and purchase pattern of eco friendly products

Chapter V-A reveals the consumers perception and level of satisfaction towards eco friendly products

Chapter V-B a structural equation model explaining the relationship among perception, purchase behaviour and satisfaction of green consumers

Chapter VI deals with the retailers perception of eco friendly products and consumers' buying pattern

Findings, suggestions and conclusion of the study have been discussed in **Chapter VII**