Green Marketing: A Study of Consumers’ Buying Behavior in Relation to Green Products

By Wong FuiYeng & Rashad Yazdanifard
Help College of Arts and Technology, Malaysia

Abstract - Environmental issue is a sizzling topic nowadays as almost every country’s government and society has started to be more aware about these issues. This leads to a trend of green marketing used by the firm as one of the strategies in order to gain profit and protect the environment. This paper will be discussing the green marketing and its sustainability as well as the tools and marketing mix of green marketing. Other than that, the green consumer and branding will be discussed in further in this paper as this will attract more consumers. Lastly, firm will be benefited once green marketing strategy is applied.

Keywords: marketing, green marketing, sustainability, green marketing benefits, green marketing tools, organization benefits, green consumer.

GJMBR - E Classification : JEL Code : M31

Strictly as per the compliance and regulations of:

© 2015. Wong FuiYeng & Rashad Yazdanifard. This is a research/review paper, distributed under the terms of the Creative Commons Attribution-Noncommercial 3.0 Unported License http://creativecommons.org/licenses/by-nc/3.0/), permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.
Green Marketing: A Study of Consumers’ Buying Behavior in Relation to Green Products

Wong FuiYeng & Rashad Yazdanifard

Abstract - Environmental issue is a sizzling topic nowadays as almost every country’s government and society has started to be more aware about these issues. This leads to a trend of green marketing used by the firm as one of the strategies in order to gain profit and protect the environment. This paper will be discussing the green marketing and its sustainability as well as the tools and marketing mix of green marketing. Other than that, the green consumer and branding will be discussed in further in this paper as this will attract more consumers. Lastly, firm will be benefited once green marketing strategy is applied.

Keywords: marketing, green marketing, sustainability, green marketing benefits, green marketing tools, organization benefits, green consumer.

I. Introduction

Green Marketing is the most latest and popular trend market which facilitated for the environment-friendly in individual, animal and planet (Rajeshkumar, 2012). Due to increase in climate change and global warming, the public concern for environmental problems is continuously increased over the past decades. The businesses and consumers have started to challenge eco-friendly products as they become more concerned on the environment, health and wealth in order to protect the earth’s resources and the environment. In addition, the firms have slowly applied green marketing practices in their projects as a part of social conscience and they are demanding to reach the consumers with their green messages (Nagaraju & Thejaswini, 2014). For instance, the firms remain to introduce different forms of green packaging programs through the recommendation of recyclable and reusable packages as the importance of green marketing to market success has been increased. Furthermore, firms today are experienced with consumers who are environmentally conscious when making a purchase as green marketing is a current focus in business enterprises. Therefore, consumers are becoming more conscious towards their environmental approaches, desires and purchases. Therefore, this has led to increased motive of consumers to purchase environmentally friendly products and services. They are more concern on environmental issues and hence will consider purchasing products that are more environmentally friendly, even if these products are charged in higher prices. The consumers have become more interested with the importance of natural environment and are understanding that their production and consumption purchasing behavior will have direct impact on the environment. As a result, the increasing number of consumers who are willing to buy environmentally friendly products are building opportunity for businesses that are using “eco-friendly” or “environmentally friendly” as an element of their value proposition. Businesses that provide products which are manufactured and designed with an environmental marketing mix have a stable competitive advantage. A better understanding of consumers’ buying behavior will support businesses to achieve more market-applicable approach to maintain in the competitive market. Moreover, it also allows businesses to bring more consumers and shape their products or services according to their demands or change consumers’ behavior towards their products or services (Agyeman, 2014).

II. Green Marketing and Sustainable Development

The American Marketing Association (AMA) defines green marketing as marketing of products that are believed to be environment-friendly, which organizes intovarious activities such as product adjustment, modification of production processes, packaging, labeling, advertising strategies as well as increases awareness on compliance marketing amongst industries (Yazdanifard, 2011). According to Business Dictionary, the definition of green marketing is promotional exercises intended at taking benefits of shaping consumer behavior towards a brand. These adjustments are progressively being affected by a company’s practices and policies that influence the characteristic of the environment and indicate the standard of its concern for the community. On the other hand, it can be recognized as the promotion of environmentally-secure or advantageous goods (Yazdanifard, 2011). According to the World Commission on Environmental Development (1978), Sustainable Development defines “meeting the needs of the present without compromising the ability of the future generations to meet their own needs” (p.134). The typical idea during the whole of this strategy of sustainable development is the desire to merge economic and ecological
developments in decision making by constructing policies that conserve the standard of agricultural advancement and environmental conservation. The environment conservation for the current and the future generation is what the outcome product of green marketing is. (Vandhana, Karpagavalli, & Ravi, 2013).

III. GREEN MARKETING TOOLS

Eco-label, eco-brand and environmental advertisement are part of the green marketing tools which can make perception easier and increase awareness of eco-friendly products features and aspects. Consequently, this will lead the consumers to purchase the environmentally friendly products. Practicing these policy tools plays an important role in changing consumer purchasing behavior to purchase environmental friendly products, thus, decreasing the adverse effect of artificial products on the environment (Delafrooz, Taleghani, & Nouri, 2014).

a) Eco-labeling

Eco-label is one of the important green marketing tools used on eco-friendly products. Eco-label is characterized as a tool for consumers to assist the progress of making a decision to choose eco-friendly product. It also allows them to understand how the process of products are made. Environmental labels are used by marketing to facilitate the labeling of green products. Labels made up of a series of small pieces of paper, up to very complicated diagrams that are involved as a part of the goods packaging. Labels can include merely the brand products or a series of mixed information. In some conditions, the seller may want a direct 'Label', but law obliges them to contribute more information (Delafrooz, Taleghani, & Nouri, 2014). Environmental labels allow consumers to easily distinguish environmentally friendly products over normal standard products. Eco-label is positively correlated with consumer enthusiasm to buy (Awan & Raza, n.d.). The recognition of eco-label has a positive impact between the information of a green product and consumer’s willingness to buy. In addition, previous researches that were finalized in western nations have agreed that most consumers have positive green consciousness on eco-labeled products (Cherian & Jacob, 2012). Eco-labels are appealing tools notifying consumers about the environmental impact of their buying determination (Rashid, 2009). To guide consumers to classify products those are more environmentally favored than other identical products, eco-labeling schemes were proposed in order to facilitate environmental consumerism. The very first eco-labeling schemes have been developed since the late 1977 in Germany (Blue Angel eco-label). In modern day, there are relatively 30 various green label schemes worldwide. Asian countries such as China, Japan, Korea, India, Thailand, Malaysia and Singapore have launched their own eco-labeling schemes. The Malaysian business sector is not far behind in reacting to protests rising from interest made from the consumers for eco-friendly products. Malaysian green label schemes were committed to launch in 1996 by the Standards and Industrial Research Institute of Malaysia (SIRIM) in the time of there were eco-labeling schemes connected to degradable, agricultural products, energy conservation, electronic equipment, hazardous metal-free electrical, non-toxic plastic packaging material, recycled paper and biodegradable cleaning agents (Rahbar & Wahid, 2011).

b) Eco-brand

The American Marketing Association interprets a brand as “a name, term, sign, symbol, or design, or the combination of them, engaged to recognize the goods or services of one seller or group of sellers and to distinguish them from those of a competitor.” This description can be concluded for the eco-brand as well. Eco-brand is a name, symbol or image of products that are harmless to the environment. Applying eco-brand aspects can help consumers to distinguish them by some means from other non-green products (Delafrooz, Taleghani, & Nouri, 2014). Consumers will pursue to purchase eco-friendly options for products that produced high level of environmental impact correspond to those with low level of environmental impact. Malaysian consumers consider aerosols, house hold cleaning, glass based, pesticides and plastics as non-green product classifies with high level of impact to environments (Rahbar & Wahid, 2011). For that reason, it can be anticipated that consumers will react positively to products with environmental aspects known as eco-branded products. The earlier research in western countries encourages this opinion as consumers in the Germany and USA take action positively to eco-branded products such as green energy and Body Shop (Wustenhagen & Bilharz, 2006). A consumer’s interpretation on the environmental conduct of brands should be positively impressed by environmental labels. Recognition of the impact of brands on consumers’ purchasing opinion is very critical for marketers and marketing researchers. This impact is recognized as brand equity. Brand equity can be defined as a particular impact that brand awareness has on a consumer’s reaction to the marketing of that brand from a consumer’s viewpoint. Green brands should be used to point out the situation that green products functions the same as non-green ones. Also, green brands should be used to assist consumers distinguish green brands from other identical brands with same actions. The critical aspect persuading consumers to change actual purchase behavior to buy eco-friendly products is emotional brand benefits. Hence, the purchasing behavior will change to purchase environmental friendly products as a consequence of concerning of the
advantage of green brands. The consumers who widely recognized themselves as an environmental responsible consumers suggest to picks the green products in their actual purchase to meet their emotional desires (Rahbar & Wahid, 2011).

c) Environmental advertisement

In order to improve green movements worldwide and raise public attention to environmental problems, most organizations prefer environmental advertisements through media or newspapers as green techniques for introducing their products to environmentally responsible consumers. Green advertisement is one of the ways to influence consumers’ purchasing behavior that will strongly encourage consumers to buy products that are eco-friendly to our environment. Besides, direct their attention to the positive consequences of their purchasing behavior, for themselves as well as the environment (Delafrooz, Taleghani, & Nouri, 2014). Davis (1994) describes there are three elements in green advertisement. Firstly, the company will start a statement that is related to the environment. Secondly, the company will demonstrate its concern and dedication to improve the environment by its changed procedure from the green advertisement. Thirdly, specific environmental actions in which the company is involved will be promoted by green advertisement (Rahbar & Wahid, 2011). When the population of companies using environmental interest in their advertisement is getting higher, even though some of them are just simply green washing, it will lead consumers to be suspicious towards environmental advertising. For marketing managers, who tries to be environmentally responsible and anticipates a reward from consumers for their responsible behavior, the reliability and influences of green advertising is a major issue. Marketing managers and advertising professionals need to master environmental information communication and presentation of environmental information in the ads (Alniacik & Yilmaz, 2012).

IV. Businesses and Green Marketing

There are significant alterations for activation in the business world in relation to the importance towards the environment and the society. Corporate ethical code of the 21st century is being green. Without a doubt, the main objective of companies is profitability but it is highly difficult for companies with the particular objective of making profit to achieve sustainability. Companies should be mindful of their duties towards the environment and the community similarly as towards customers, workers and shareholders. Climate change, environmental problems and social problems will confront the leaders of future generation for engaging effective and inclusive determinations. In the practice of engaging these determinations, the first concern of business society should be placed on the key of conserving the environment instead of improving the profitability of the business (Boztepe, 2012). In order to improve profitability, which is a direct advantage for the business itself, green marketing can advantage society by promoting not only the communication about but also the practice of green business process. The companies actually have a strong possibility to enhance their attitude if they engaged in environmental business activities. This is because to allege that their products are eco-friendly they have to absolutely assess the product in a way that matches valid requirements to acquire certified eco-labels. Also, they do not wish to lose the trust of the environmentally conscious consumers they focus on (“Fact Sheet-Green marketing,” n.d.).

V. Marketing Mix in Green Marketing

The marketing mix is derived from conventional marketing (Kontic, Biljeskovic, & Brunninge, 2010). Marketing mix basically are the different ways invented by a company to bring a good or service to the market. In green marketing, environmental concern is an element that marketing mix must give on fully accountability. Marketing mix ordinarily known as 4P’s comprises of components such as product, price, place and promotion. In the extended marketing mix as in case of service sector, three other components such as people, physical evidence and process are combined to make up 7P’s. According to green marketing principle every components in the marketing mix will have a green perspective from establishing to introducing a product to the market (Arseculeratne & Yazdanifard, 2014). When a product is manufacture under a process of eco-friendly and harmless to the environment, the product may be named as green product. During production process, environmental pollution is an issue that business has to reduce. Natural resources ought to be preserved during physical removal of raw materials from a product. Significant area must be form by waste management in this connection. Ecofriendly design product should be manufactured and packaging process should lessen contamination and pollution. Product enhancements certainly involve a significant amount of sunk costs but they are worth the resolution since development in the product would bring about a turnaround in sales. The manner of reversed logistics whereby customers return to the business used wrapping, packaging and even the recycled product itself would considerably help to conserve the environment (Arseculeratne & Yazdanifard, 2014). Going green is absolutely pricey as they comprise various costs such as teaching nation, gadget, establishment of modern technology, absorbing extrinsic costs, converting waste into recycled products. Undoubtedly these will cause the products to be more
expensive. Therefore green price is termed as premium price. These will have additional stress on promotions due to premium price. Marketing exertion must rationalize these expenses and consumers need to be convinced to pay a premium, so that realistic messages in adverts is needed. Nevertheless the fare of green products may be decrease when deal with packaging material. Indeed some businesses have establish this to be an attractive scheme when packaging costs develop a huge part of the unit cost (Arseculeratne & Yazdanifard, 2014). Green distribution comprise appointing pathway in a manner to diminish environmental impairment. Most of the damages are induced during shipping of goods. Therefore safety precautions must be implemented in the shipping of goods (Arseculeratne & Yazdanifard, 2014). Promotional material of a business is necessary in green marketing. The major information of go green has to transmit to the customers through direct marketing, sales promotions, advertising and public relations. Public relations and advertising indeed have become the most broadly used platforms to launch the green perspective of a business. Going green occasionally develop into a major national connections exercise as it form a bridge between the business and the society. Green advertising might be used to promote products, justify their features and price (Arseculeratne & Yazdanifard, 2014). Due to deficiency of information, most customers are not exactly aware the significance of green product thus green promotional strategy should realize this fact. To forward this void in the lack of information, a business may exercise numerous green promotional strategies. Customers need to be cognizant of the kinds of environmental issues a product would clarify in the first place for them to evince an interest in a green product (Arseculeratne & Yazdanifard, 2014).

VI. GREEN CONSUMER

Consumerism can be defined as a progress which originally started as a practice which was presented to safeguard consumers against operations of unethical business. Over time this has widespread and grow into wider in nature. When today's agenda with regards to consumer advocacy is taken into study it can be recognized that conservation of the environment is the most important element (Dono et al., 2010). There is an impact growth in the concern revealed towards environmental conservation leading to “green consumerism”(Eriksson, 2002).The green consumer is typically known as one who support eco-friendly attitudes and/or who purchases green products over the standard alternatives (Boztepe, 2012). Almost all consumers are conceivably green consumers. For instance, when a consumer has option to choose from two similar products, the consumer will choose to buy environmentally friendly product (Awan & Raza, n.d.).
of reusable shopping bags at grocery stores. Americans use one hundred billion plastic shopping bags every year and over five hundred billion are consumed globally. In this regard, four billion become general litter. Now it is almost trendy to bring your reusable shopping bags to grocery store as consumers and retailers are recognizing this new environmental behavior. In the year of 2011, more than two-thirds of consumers signed that they now use reusable shopping bags (Gittell, Magnusson, Merenda, 2015).

VIII. Benefits of Green Marketing

Nowadays consumers gradually acknowledge the need to take care of the environment and become more culturally responsible. Therefore, accountability of companies to consumers’ inclinations for environmentally harmless or neutral products is essential (Saini, 2013). Green Marketing has a lot of important benefits for those communities whose accept these new concepts. First important benefits are revenue increased. Consumers prefer every new and positive concept, so that innovator plays an essential role in this segment. A successful product that fulfills consumer satisfaction will definitely have an increase in sales and revenue. Second important benefits are cost reduced. In green marketing, the cost of raw materials is low thus it will increase the productions and save money. On top of that, green marketing can build brand value. A great green practices company will get a good brand value in the heart of the consumers. Another important benefit of green marketing is getting tax breaks and loans from government because those innovative companies which help the nation who are living in a rural or un-employment will bear uncertain risks. Besides, they save environment and health of nation so they receive subsidies from government. Lastly, the most crucial advantage of green marketing is world salvation. Disposal and treatment of wastage, production process of companies will produce emissions of several greenhouse gases which contribute to global climate change which can causes greenhouse effect. By following a great way of green practices, the companies could save the world in the way of saving the health of peoples and the environment (Rajeshkumar, 2012).

IX. Discussion

The main objective of this paper was to determine the study of green marketing and it’s sustainability on the environment and companies as well as the tools and marketing mix of green marketing. Moreover, this paper also focuses on the behavior of consumers and branding to attract more consumers. This finding is important because the earth’s resources are gradually depleting and earth is getting more and more polluted. Green marketing is a strategy which benefits the environment and the firms; it is a win-win strategy. The company can definitely reduce costs and impress a positive image on the consumers. A company’s reputation plays an important role because having a good reputation has been justified being beneficial to the company. Green marketing not only benefits the company but also acts as a very important strategy in preserving our environment. Therefore, each company, regardless of its industry, should consider integrating sustainability into their marketing strategy. Those that do will seek recognition of their efforts. These companies should consider green marketing, keeping in mind that green marketing is not a cure-all for increasing sales. Companies should keep in mind that there is no universal green marketing strategy. Companies engaged in green marketing should structure their effort to minimize green washing risks. For instance, there are few strategies that can be used to practice green marketing. The companies adopt marketing mix concept in green marketing, this enables the companies to manage the 4Ps appropriately. Firstly, the companies have to understand the customers’ needs and wants, so that the companies can produce a suitable product for the customers. Moreover, the price of the products is a very important element. The price has to be affordable to the majority of the consumers. Lastly, the places that distribute green products have to be convenient to the consumers. After all, company that adopting green marketing as one of their strategy will benefits the firm.

X. Conclusion

As environmental issues continue to affect human activities, society is now regards them with much concern. Most firms have started using sustainable development framework which is known as green marketing and most of the organizations have acknowledged green products which are environmentally friendly. Marketing managers can use green marketing to earn profits. In addition, green marketing is able to preserve the environment while satisfying customers’ needs. Therefore, green marketing is a tool now used by many companies to increase their competitive advantage as people is presently very concerned about environmental issues. In the time applying green marketing, the companies have to comply with the consumers’ needs and wants. Consumers want to recognize themselves with companies that are green compliant and are willing to pay more for a greener life style. For this reason, green marketing is not only an environmental protection tool but also a marketing strategy (Yazdanifard, 2011). Other than that, marketers can provide training to their employees, especially sales representative. This is to give them knowledge on how to promote the green product effectively by clearly presenting the main message to the consumers. Green marketing covers a
wide range of business activities and it is similar to marketing mix. Therefore, marketers should adopt a suitable single green marketing mix and strategy corresponding to companies in which they conduct and target consumers’ demands and personality. In addition, companies that carry out green marketing in the right place and on the right person may support the company to achieve their competitive advantage.

References Références Referencias


