

## FACTORS INFLUENCING PURCHASE DECISION OF CONSUMERS TOWARDS GREEN MARKETING PRODUCTS

Dr. V. Chitra<sup>1</sup>, Dr.P.Govindasamy<sup>2</sup>

<sup>1</sup>Assistant Professor and Head, Dept. of Commerce (Honours), Shri Shankarlal Sundarbai Shasun Jain College for Women, Chennai 600017, Tamilnadu, INDIA Email id: [chitra@shasuncollege.edu.in](mailto:chitra@shasuncollege.edu.in)

<sup>2</sup>Associate Professor, School of Management Studies, Vels Institute of Science, Technology and Advanced Studies, Chennai, Tamilnadu, INDIA Email id: govindasamy.sms@velsuniv.ac.in Orchid Id: <https://orcid.org/0000-0002-5740-4781> 2

(Corresponding author: Dr.V.Chitra,  
Email id: [chitra@shasuncollege.edu.in](mailto:chitra@shasuncollege.edu.in))

### **Abstract**

*The study is confined to analyze consumers' awareness level, perception and the factors influencing the customers to purchase green marketing products. The factors identified are price, quality, availability and usage. The study found that most of the consumers are aware of green marketing products but their awareness level can be increased even more. Since consumers are not satisfied with the role of government, constant effort has to be taken by the government to create awareness among the consumers and to promote green marketing products buying behaviour. Price is an important factor in green marketing products because the consumers feel the price of green marketing products are high and they are less likely to buy at a higher rate.*

**Key Words:** *Green marketing, Eco friendly, purchase decision, Customer attitude*

### **1. INTRODUCTION**

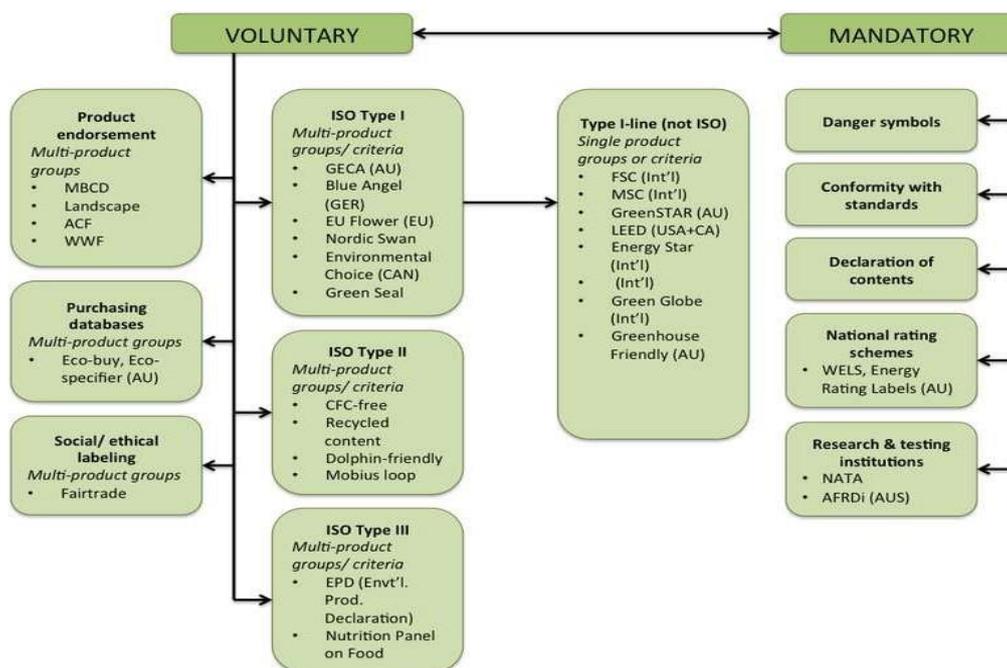
The Organizations need to roll out extraordinary improvements in their research and development, production, money related, and marketing practices if sustainability must be accomplished. But along with sustainability few difficulties, for example, change in the arrangement of the environment, exhaustion of the ozone layer, soil corruption and expanded desertification and expanded air and water contamination must be dealt with. Fortunately, Green marketing has come up as a novel idea which is presumed to be naturally desirable for others. Green marketing joins an expansive scope of exercises, including product modification, changes to the production process, sustainable packing as well as modifying advertising. However, characterizing green market is not an easy task where several meanings intersect and repudiate each other; a case of this will be the presence of shifting social, ecological and retail definitions connected to this term. Other comparative terms utilized are

natural marketing and organic marketing. Green, natural and eco-marketing are a piece of the new marketing approaches which don't simply refocus, modify or improve existing marketing considering and practice, however look to challenge those methodologies and give a generously alternate point of view. Accurately, green, natural and eco-marketing have a place with the gathering of methodologies which look to address the absence of fit between promoting as it is as of now practiced and the organic and social substances of the more extensive marketing environment.

### 1.1 GREEN PRODUCTS AND MARKETING PRACTICES

There is no general agreement on the term Green. Infact, we need to understand there is no defined definition for Green Product. But considering the other synonyms & common characteristics of green marketing (highlighted below), we have widely adopted the term Green Efficient in Energy Consumption, Efficient in Water Consumption, Efficient in handling hazardous missions, Secure and Healthful Produce, Tenacious (Durable), Recycled Products, Sustainable(Renewable), Neighborhood Outcome.

**CHART 1.1 FLOW CHART OF ECOLABLES**



Green marketing means to give more information to individuals and furthermore gives them more choices to change over to green way of life. Driven by the green utilization undertakings start to take consumers as the guide of the green marketing technique. In the marketing

procedure, they focus on the balance and coordination among big business and the consumer social and ecological, and also the sustainable advancement of the enterprises. In this manner companies are ending up more responsible of their obligations towards nature.

## **1.2 STATEMENT OF THE PROBLEM**

Green marketing products are considered to be environmentally safe product. In current scenario, environmental protection is considered as the most important element. Many people tend to take measures in protecting the environment. Though many consumers think green is nice, they prefer to select a brand which they like or they go for low priced products. In response to this problem the study examines whether the consumers are aware of the green products and the factors affecting the consumers in buying green products.

## **1.3 OBJECTIVES OF THE STUDY**

- To analyze the consumers' awareness and perception about green marketing products.
- To identify the factors influencing purchase decision of consumers towards green marketing products.

## **1.4 HYPOTHESES OF THE STUDY**

1. There is no significant difference between the places of purchase of green products with regard to level of customer satisfaction.
2. There is no significant difference between different types of organic products preferred by respondents.
3. There is no significant difference between factors influencing the purchase decision of respondents.
4. There is no strong influence of independent variable (influencing factors) on dependent variable (Purchase of green products)

## **1.5 RESEARCH METHODOLOGY**

The study is conducted using both descriptive and analytical type of methodology. The study mainly depends upon both primary and secondary data. The study is conducted in selected areas of Chennai region, such as Annanagar, Adayar, Pallavaram & T.Nagar. The study is based on 266 sample respondents consisting of both men and women. Totally 500 questionnaires were distributed and 357 collected out of which 266 completed questionnaires

were found usable. Area sampling method was employed to frame the sampling area. A simple random sampling method has been used to select the sample from the sampling area.

## 2. REVIEW OF LITERATURE

**Mohammad Shamsuddoha (2004)** in his research “Green Marketing and its implication problem in Bangladesh” investigated the problem in implication of green marketing in Bangladesh. It is identified that the people are not clear about the benefits of green products and the organization which deals with non-green products creates a misleading notion to the people through media, about green products and the government is also not taking any quick initiatives about greenmarketing.

**Saxena, R. P. and Khandelwal, P. K. (2008)** explored the consumers attitude towards green marketing. It is found that that consumer preference has shifted from non-green products to green products and proved that the consumer awareness for environment protection is high and more consumers will prefer to buy green products infuture.

**ArteeAggrawal (2010)** in the study “Factors Affecting Green Marketing In India: A Study Of Metro Consumers” determined the factors affecting Green purchasing behaviour among Indian consumers and the most important and least important factors affecting green purchasing behaviour. The author considered factors such as Concern for health and environment, Eco-certification, packaging, lifestyle,indifferent attitude, brand consciousness to find out most and least influence consumers in buying green products.

**Nufazil Altaf (2013)** in this study “Consumers Awareness towards Green Marketing - A Study of Srinagar City “ found that majority of the respondents strongly agree that they believe in the concept of green marketing, and aware of companies going green .The study found that majority of the respondents strongly agree that green marketing existed a long time back but it is not implemented by many companies and companies are reluctant in implementing green marketing.

**Dr.Shruthi P Maheshwari (2014)** investigated consumers beliefs on green products, attitude and awareness on availability of environmentally friendly products and influence of marketing efforts put by marketers with reference to consumers. It is found 80% of the respondents have strongly agreed to buy green products because

**D.Sumathi (2016)** stated that the majority of the consumers are aware about the organic products and nearly 50% of the respondents are willing to pay a high price for it, if the price becomes reasonable consumption level may increase. Also majority of the respondents felt that the organic products are tasty, and the author proved that there is an association between

the taste and it has an impact on consumption of organic food products. Further 75% of the respondents felt that media exposure influenced them to purchase the organic products.

**Sujith T S (2017)** investigated the consumers awareness and attitude towards eco-friendly products and the factors influencing the consumers on purchase decision of eco-friendly products. And also investigated the most familiar eco-friendly product among the customers. It is found that majority of the respondents knew about the eco-friendly products and consumers have a positive perception towards environmentally friendly products and most of the respondents considered that it's important to them that the products they use do not harm the environment and they considered themselves as environment friendly attitude. The study further revealed the major factors affecting purchase of green products are product price, availability of products and awareness about the products. and he most familiar eco-friendly products among respondents are organic vegetables and consumable items.

**Dr .Shrimathi Ramalingam and G.Rajalakshmi (2018)** analysed the effect of eco labels and green advertisements in enhancing green purchase awareness among the consumers. It was found that eco labels have significant impact on creating awareness towards green terms, green attributes and green products. Further, perception towards eco label is positively correlated with awareness towards green attributes and green products.

### 3. ANALYSIS AND DATA INTERPRETATION

**TABLE 3.1 CONSUMERS PREFERENCE TO BUY ONLINE GREEN MARKETING PRODUCTS**

Online purchase	Frequency	Percentage
Yes	145	54.5%
No	121	45.5%
Total	266	100.0%

Source: Primary Data

It is noted from the above table that 54.5% of the respondents prefer to buy green products online and 45.5% of the respondents does not prefer to buy online green products.

**TABLE 3.2 PLACE OF PURCHASE OF GREEN MARKETING PRODUCTS AMONG RESPONDENTS**

Place of Purchase	Frequency	Percentage
Organic store	105	39.5%
Directly from Farmers	90	33.8%
Departmental store	67	25.2%
Special agents	4	1.5%

Total	266	100.0%
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Source: Primary Data

It is inferred from the above table that 39.5% of the respondents prefer to buy green products from organic store and only 1.5% of the respondents prefer to buy green products from special agents.

### 3.3 TESTING OF HYPOTHESES

The researcher has used Kruskal - Wallis test to identify the consumers' level of satisfaction with respect to different place of purchase of green products

**Table 3.3.1 MEAN RANK ON DIFFERENT PLACES OF PURCHASE OF GREEN MARKETING PRODUCT**

purchase of green products	N	Mean Rank
Organic store	105	137.73
Directly from farmers	90	144.94
Departmental store	67	108.97
Special agents	4	175.75
Total	266	

Source: Computed data

TABLE 3.3.2. KRUSKAL-WALLIS TEST

Test-Statistic	Satisfaction
Chi-Square	10.496
Df	3
Asymp. Sig.	.015

Source: Computed data

From the above table it is inferred that there is a significant difference between the different places of purchase of green products with respect to the consumer satisfaction level. It is noted that among the four places of purchase of green products the departmental store was ranked I by the respondents and special agents were ranked IV. It is concluded that the consumers are having more satisfaction level to purchase green products from departmental store as compared to other places.

### 3.4 PREFERENCE OF CONSUMERS ON ORGANIC PRODUCTS

The researcher has used Friedman test in order to identify the most preferred and least preferred organic products by the respondents. The preference of organic product was classified as clothes and wear, organic food, electrical appliance, furniture.

**TABLE 3.4.1 RANKS OF ORGANIC PRODUCTS**

Factors	Mean Rank
Clothes and wear	2.64
Organic food	1.65
Electrical appliance	2.78
Furniture	2.93

Source: Computed data

**TABLE 3.4.2 TEST STATISTICS**

N	266
Chi-Square	191.280
Df	3
Asymp. Sig.	.000

Source: Computed data

From the above table it is concluded that there is a significant difference between clothes and wear, organic food, electrical appliance, furniture. It is noted that organic food is the most preferred product and it is ranked I by the respondents and furniture is the least preferred product by the respondents.

### **3.5 FACTORS INFLUENCING THE CONSUMERS ON PURCHASE OF GREEN PRODUCTS WITH REFERENCE TO CUSTOMER SATISFACTION LEVEL**

The following table shows the various factors which influence the consumers on purchase of green product with reference to customer satisfaction level

**Table 3.5.1 Cluster Analysis on Customer Satisfaction Level**

Cluster	I	II	III
Size	27.4% (73)	53.8% (143)	18.8% (50)
	Satisfaction level of customers Low (100.0%)	Satisfaction level of customers Medium (100.0%)	Satisfaction level of customers High (100.0%)
Inputs	Quality 13.09%	Quality 15.59%	Quality 17.12%
	Eco-friendly 14.03%	Eco-friendly 16.29%	Eco-friendly 17.60%
	Price 13.29%	Price 15.29%	Price 15.92%

Availability 13.18%	Availability 14.59%	Availability 15.16%
Usage 11.50%	Usage 13.27%	Usage 13.72%

**Source: Computed Data**

From the above table it is found that first cluster consist of sample units 73(27.4%). Consumers with high expectations but possess poor experience in green products. Therefore, these customers strongly disagree the existence of five factors in green products. This cluster is named as sulky customers. The second cluster consist of sample units 143(153.8%). Consumer possess modest expectation and experience. This cluster is named as pious customers, the third cluster consist of sample units 50(18.8%). Consumers with low expectations but possess high experience in green products. Therefore, these customers strongly agree the existence of five factors in green products. This cluster is named as gratifiedcustomers

**3.5.2 Factors influencing the consumers on purchase of green marketing products**

The application of linear multiple regression analysis on factors influencing consumers on purchase of green products is identified and presented in following table.

**TABLE 3.5.2 COEFFICIENTS OF FACTORS INFLUENCING THE CONSUMERS ON PURCHASE OF GREEN MARKETING PRODUCTS**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	7.403	.993		7.452	.000
	Price	.212	.073	.185	2.915	.004
	Quality	.476	.073	.448	6.524	.000
	Availability	-.047	.075	-.042	-.625	.533
	Usage	-.035	.054	-.041	-.651	.516
	Ecofriendly	.152	.062	.157	2.468	.014

Source: computed data

$$F=35.179 (p<); R^2=0.404$$

It is found that R square is .404 and adjusted R square value is .392 along with standard error of the estimates decides the influence of independent variables on dependent factor. It is found variables create 40.4% variance on purchase of green products. This leads to computation of regression fit verification as shown below It is found that F value (35.179) and P value (.000) are statistically significant at 5% level, to reveal the existence of regression fit. This proves that there is a relationship between influencing factors and purchase of green products. The individual influence of five factors on purchase of green products is presented in the following coefficient table. It is found that price (Beta = .185, T = 2.915), Quality (Beta = .448, T = 6.524), Eco-friendly (Beta = .157, T = 2.468) are statistically significant at 5% level. Therefore it is proved that price, quality and eco-friendly factors contributes significantly to influence the consumers to purchase green products.

#### 4. SUGGESTIONS

- Price discounts can be offered for green products consumers to, increase the demand for the product.
- Awareness can be increased by advertising the benefits of green products. The product can be advertised through television, radio, newspaper, magazine, by keeping billboards and point sale displays.
- Government should take initiative in increasing awareness among consumers about green products. The awareness can be increased through education and by advertising the green products.
- Government can provide financial assistance to start up units, which produce green products and enable the customers to consume variety of products.

#### 5. CONCLUSION

The study is confined to analyze consumers' awareness level, perception and the factors influencing them on purchase of green marketing products. The factors identified are price, quality, availability, usage and eco-friendly factors. The study found that most of the consumers are aware of green marketing products but their awareness level can be increased even more. Since consumers are not satisfied with the role of government, constant effort has to be taken by the government to create awareness among the consumers and to promote green marketing products buying behaviour. Price is an important factor in green marketing products because the consumers feel the price of green marketing products are high and they are less

likely to buy at a higher rate. The sales of green products are higher when there is a price discount for such products. It is also to be noted that consumers prefer to buy green marketing products because they want to contribute to the environment and they also feel it protects their family members from serious elements.

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