Green marketing dynamics by retailers towards the influence on consumers, purchase of green products and purchase of high pieced green products

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Abstract

Retailing as a philosophy concept which satisfies the needs of consumers should aim at developing merchandise and services that satisfy specific needs of consumers. Retailers are struggling to sell products and to achieve one-to-one marketing communications with customers and prospects. Environment pollution has today more drastic configurations with negative effects on air, water, soil and subsoil. Retailers have to play an instrumental role in informing the consumers about environment pollution issues severity and educate consumers as per ecological principles base. The education should insist on customers training and a certain ecologic behavior of consumption, of recreation and environment consolations, of their protection. The future of retailing is being created by global players like Amazon, Apple, Google, Disney, Nike and Zara. Each company is fully equipped with positive skill and capable of leading the way forward with their specific innovative strategies and defining the future of the retail landscape. Customers on the other side are becoming "digitized" through e-mails, instant messages, downloads and virtual social interactions with friends, family and their liked brands. Companies are opting "go green" strategy in order to make profits and to stay competitively in the market.

KEYWORDS: Business, Success, Strategy, digitized pollution, go green.

1. Introduction:

Retail industry in India is one of the most sunrise sectors. As Kearney, the well known international management consultancy, recently identified India as the "second most retail destination" and of late India stood at first place in the global retail development index finding and overtook China for the first time (the age of focus-A.T. Kearney 2017). India and China are emerging markets at the global land and consequently many global retailers have taken a pause this year to reexamine their store networks, formats and logistics. The 2017 GRDI intends to help retailers figure out not only where to place their focus to succeed in global retail but also how to get it right. In India, retail account for over 10% of countries GDP around 8% of the employment. India is the world's fifth largest global destination in the retail space. India's retail marketing expected to increase by 60% to reach USD 1.1 trillion by 2020 on the factors like rising incomes and lifestyles changes by middle class and increased digital connectively. The

Indian retail is divided into unorganized market and organized market, unorganized markets contributes 93% and the rest organized market.

India is expected to become the world's fastest growing e-commerce market, driven by robust investment in the sector and rapid increase in the number of internet users. Indian e-commerce sales are expected to reach USD 120 billion by 2020 from USD 30 billion FY 2016. Further, Indian's e-commerce market is expected to reach USD 220 billion in terms of gross merchandise value (GMV) and 530 shoppers by 2025, lead by faster speeds on reliable telecom networks, faster adoption of online services and better variety as well as convenient.

The growing internet shopping has led to the development of multi-channel retailing, with the global leading players broadening their marketing reach and integrating operations to maximize cross-channel synergies. The next three years may witness on-going convergence of smart technology, consumer insights, interactive multi-channel marketing and an express supply chain, all providing real time insight and access to the digital customer (Vidya Chellum 2016). These developments make the consumers progression in digital lifestyle, and create a dynamic customer to brand relationship and interactive shopping experience.

2. Review of Literature:

Nadat and Nadat (2014) studied the challenges of green marketing in India. The main objective of the research paper was to evaluate challenges and strategies for green marketing in India. The study found that government, consumers and competition were the main reason of emergence of green marketing. The researcher concludes that high cost, less consumer awareness, less creditability & misleading claim were the reasons for challenges in the green marketing area. The authors suggested to overcome the above challenges through better management, better control, use of technology and a good marketing plan.

Ajeet Verma (2015) is of the view that in the 21st century the world is facing a severe threat of sustainability due to economic crisis, energy crisis, environmental pollution and greenhouse gas emissions which cause global warming. Further the researchers stated that the resources are limited but human needs are unlimited, so that the available resource must be used economically and judicially in an environment friendly only. The researcher concludes that for the sustainability of the mankind green marketing practice is needed in the society.

Vineetkumar Dubey et. al. (2016) expressed that Indian market consumers are ready to pay premium price for green products. The researchers stressed the fact that there is a need for a shift in the consumer's behavior and attitude towards more environment friendly life style. Further they have stated marketers have the responsibility to make the consumers understand the need for and benefits of green prospects as compared to non-green areas.

Pavankumar P.S., (2017) opined that green marketing should not be considered as just one more approach to marketing, instead should be pursued with greater vigor as it has societal and environmental dimensions. Further, the researcher said that with the view of

pursuing greater vigor as it has societal and environmental dimensions, the organizations are now aware with the fact that without adopting green in the core of their strategy they cannot survive in the present competitive era.

Ravinder Kour (2017) expressed in their research paper that environmental problems in India are growing rapidly. Going green has become the new success mantra and as being discussed by people from all the walks of life. The government, the organisations and the consumers has to put hands together in creating awareness of eco-friendly products. The researcher has suggested that recycling of paper, plastics in sole and eco-friendly way should become more systematized and universal. Further the researcher also stated that even companies which focused on the profit now turned towards green marketing companies.

Chrisjatmi Jo, K., (2018) study is in line with previous research that is to test the functions of green marketing in increasing brand image and its effect on brand loyalty and test the moderate effect of green perceived risk. The result shows that green perceived risk had a negative and significant effect on green image, green trust and green satisfaction while green loyalty influenced positively and significantly by green image, green trust and green satisfaction. The author suggested that companies should always pay attention towards risks that occur due to business processes so as not to damage environment. Companies must design their green marketing will run well. The author also suggested to increase customer confidence.

3. Objectives of the Study:

i. To study the demographic profile of respondents.

ii. To know the retailers awareness about factors affecting purchase of green products.

iii. To analyse the retailers inducing the consumers to buy eco-friendly products

iv. To study retailers influence on consumers to buy high priced eco-friendly products.

v. To analyse the suggestions given by the retailers to improve the promotion of eco-friendly products

4. Hypotheses:

Based on the above objectives, the following hypotheses were framed for the present study:

$H_0$1: The Demographic profile of retailers are not supporting the promotion of eco-friendly products

$H_0$2: Respondents are unaware of factors affecting the purchase of green products

$H_0$3: Retailers are not inducing the consumers to buy eco-friendly products

$H_0$4: Retailers are not suggesting the companies to improve the promotion of eco-friendly products

$H_0$5: Retailers are not inducing the consumers to buy high priced eco-logical products.

5. Research methodology:

A questionnaire in English was administered as schedule taking into account the literacy rates of respondents, avoiding non-response and completing the data collection in a time based frame. Prior to administration of questionnaire as schedule a pilot study was conducted and necessary change were incorporated.

Sources of data & sampling techniques:

The data was collected from both primary and secondary sources. Primary data collected through questionnaire and secondary sources include journals and websites. Convenient sampling technique was adopted. The sample size of 200 retail respondents was chosen based on the retailer's population in Rayalaseema region. Further, the study was confined to Rayalaseema region in Andhra Pradesh.

Sample frame

SI. No	Reyalaseema Region	Retailer sample			Total
		K	DS	S & HP	
1	Anantapur District	20	15	15	50
2	Chittoor District	20	15	15	50
3	Kurnool District	20	15	15	50
4	YSR Kadapa District	20	15	15	50
	Total	80	60	60	200

Note: K= Kirana stores, DS=Departmental stores; S & HP= Super & Hyper markets

6. Data analysis & Interpretation:

Table – 1 reveals information about the demographic profile of retail respondents. There are 180 male and rest 20 female retailers. To measure the variability in the opinions expressed by respondents a null hypothesis was framed that there exist no significant variation in the data. For this purpose chi-square test was performed and Chi-square rejects H0 and accepts H1. Therefore, it is concluded here there exist significant variation in the data. There are 60 respondents belonging to the 36-40 years group followed by 45 respondents belongs to 41-45 year, 40 each belongs to the 31-35 years and 46 & above years. To measure the existence of variability in the data a null hypothesis that there exists no significance in the data was framed and for this purpose chi-square test was performed. Chi-square test fails to accept H0 and accepts H1. Therefore, it is concluded here that there exist significant variations in the data.

<Table - 1>

There are 70 respondents who have studied upto SSC, 50 respondents completed UG degree, 40 intermediate, 30 PG degree and 10 others (Diploma, ITI certificate holders). To measure the variability in the options expressed by respondents a null hypothesis that there exists no variation in the data was framed. For this purpose chi-square test was performed and it fails to accept the null hypotheses and accepts

alternative hypothesis. Therefore, it is concluded that there exist significant variations in the data. There are 80 respondents whose income (monthly) is Rs. 31,000 – 40,000 followed by 40 respondents getting income in the range of 21,000-30,000, 35 in between 10,000-20,000, 25 respondents in the range of 41,000-50,000 and 20 respondents more than Rs.51,000. To measure the existence of significant variations in the data a null hypothesis that there exists no significant variation in the data was framed. For this purpose, chi-square statistical tool was performed and it fails to accept H0 and accepts H1. Therefore, it can be concluding here that there exists significant variation in the data.

Table – 2 highlights data about factors affecting purchase of green products. Out of 200 respondents 130 respondents strongly agree, followed by 50 agree and 20 somewhat agree the awareness about factors affecting purchase of green products. Out of 130 strongly agree respondents 31 said about government regulation and sale of

<Table – 2.0>

green products, 30 about raising awareness shown by consumers, 24 about changing demographics of consumers, 23 about protection of environment, 22 about consumer's readiness to buy green products at premium. 50 respondents who agree over the awareness level, 12 said about raising awareness shown by consumers, 11 about government regulation and sale of green products, 10 about protection of environment, 9 about consumers' readiness to buy green products at premium and 8 about changing demographic profile of consumers. 20 said somewhat agree and out of 20 majority of 5 each said about raising awareness shown by consumers and protection of environment 4 about government regulations and 3 each about changing demographic profile of consumers & consumers readiness to buy green products at premium.

<Table – 2.1>

<Table – 2.2>

To measure the variability in the opinions of respondents a null hypothesis that there exist no significant variations was framed. For this purpose ANOVA test was performed, the calculated value being 64.59 is higher than the TV=3.885 @ 5% level of significance with degrees of freedom V1=2 and V2 = 12 fails to accept H0 and accepts H1. Therefore, it can be concluded here that there exists significant variations in the data and respondents are aware of factors affecting the purchase of green products.

Table – 3 reveals data about retailers inducing the consumers to buy eco-friendly products. 144 respondents out of 200 who have strongly agreed over the different methods employed to induce consumers followed by 35 agree and 21 somewhat agree. Out of 144 respondents who strongly agree 24 each said about follow fair trade, never follow black marketing and loyal to the consumers and spread environmental knowledge, 21 said about host several

<Table – 3.0>

informed events to provide the benefits of green financial markets, 20 about increase recognition of green products versus environment un-friendly products, 19 said about train the staff members so as to acquire knowledge about environmental issues, 18 each

about enhance consumer preference regarding green products proving their benefits and create a website and show the features of green products. About 35 who said agree 7 said about spread of environmental knowledge, 6 each about follow fair trade practices and train staff members to acquire knowledge about environmental issues, 5 each about enhance consumer benefits and host several informal events to provide the benefits of green financial market, and 3 each said about increase the recognition of green products versus environment unfriendly products and create a website to show the features of green products. 21 respondents are somewhat agree about the inducing techniques to induce consumers. A majority of 4 respondents said about spread the environment knowledge and train the staff members so as to acquire knowledge about environment issues.

<Table – 3.1>

To measure the variability in the opinions expressed by respondents a null hypothesis that there exists no significant variation in the data and respondents are not aware of inducement technique was framed.

<Table – 3.2>

For this purpose ANOVA was performed, the calculated value being 201.99, which is higher than the TV=3.55 @ 5% level of significance with degrees of freedom V1=2 and V2 = 18 fails to accept H0 and accepts H1. Hence, it can be concluded that there exists significant variation in the data and the respondents are aware of inducement methods.

Table – 4 speaks about retailers suggestions for companies to improve promotion of eco-friendly products. 110 respondents out of 200 said always strongly agree, 65 said about strongly agree, 15 agree, and 10 somewhat agree. Out of 110 who said always strongly agree 26 said about through innovative strategies exploring the dangers of

<Table – 4.0>

using harmful products and environmentally harmful packing material, 24 said about explain elaborately the dangers of using products whose ingredients are harmful to the environment, 22 about follow innovative advertisement and publicity, 20 about promotion of environmental issues in general to the general public and 18 about increase credit sales. Out of 65 who said strongly agree a majority of 17 said about explain through innovative techniques about the dangers of harmful products and products packed in environmentally harmful material, 14 about promotion of environmental issues for the general public, 13 about the adoption of green advertisement, 11 about explaining the dangers of using harmful products made out of harmful ingredients, and 10 about increase credit sales in the channel.

<Table – 4.1>

To measure the variability in the data a null hypotheses that there exist no significant variation and respondents are not aware of suggesting. The companies to improve promotion of eco-friendly products were framed.

<Table – 4.2>

For this purpose ANOVA was performed, the calculated value being 90.94, which is higher than the TV=3.24 @ 5% level of significance with degrees of freedom V1=3 and V2 = 16 fails to accept H0 and accepts H1. Therefore, it can be concluded here that there exist significant variation in the data and respondents are aware of suggesting the companies to improve production of eco-friendly products.

Table – 5 highlights the data about retailers influencing the consumers to buy high priced eco-friendly products. 110 respondents out of 200 strongly agree, 76 agree and 14 somewhat agree. Out of 110 respondents who strongly agree, 27 said to explain the of different eco-friendly products to the visiting consumers, 25 said about to show the consumers the benefits derived on using eco-friendly products, 20 each about support wisdom in taking eco-friendly products and design the shop interior in an attractive way and 18 about appraise the consumers about social responsibility performed by some companies that are making eco-friendly products.

<Table – 5.0>

Out of 76 respondents who agree 18 said about appraise the consumers about social responsibility performed by some companies that are making eco-friendly products, 16 each about show the consumers the benefits of using products and design the interior of shop in an attractive style, 14 about explain the features of products and 12 about supporting wisdom in taking eco-friendly products. Out of 14 who said somewhat agree 4 said about appraise the companies insisting on corporate social responsibility, 3 each about show the consumers the benefits ecological products and design the interior of the shop to attract the consumers.

<Table – 5.1>

To measure the variations in the opinions expressed by respondents a null hypotheses that there exists no significant variation in the data and respondents are not influencing the consumers to buy ecological products has framed.

<Table – 5.2>

For this purpose ANOVA was performed, the calculated value being 69.68 is higher than the TV= 3.88 @ 5% level of significance with degrees of freedom V1=2 and V2 = 12 fails to accept H0 and accepts alternative hypotheses (H1). Hence, it is concluded that there exists significant variations in the data and respondents are aware of mode of influence the consumers to buy the ecological products.

7. Conclusion:

The future of retailers is interactive, customized and on demand. The brands not understood the consumer needs will survive long and may active sustainability. The above analysis reveals that retailers are aware of dynamics of green marketing. Consumers are likely to buy less when green products are at high price. Therefore, efforts should be made to reduce the price of high priced green products. Green marketing strategy can be used as a strategy to increase the marketing process efficiency, market investigation activities & consumption needs towards company adapting to marketing

medium dynamics. To influence ecological market retailers should design appropriate strategies which influences the companies structured advantages.

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TABLE – 1
Demographic profile of Respondents

	Profile of respondents	**No**	**%**	**X^2 Value**
Gender	Male	180	90	128 significant @5% level of significance rejects H0 and accepts the Provence of significant variation in the data.
	Female	20	10	
	Total	**200**		

				(TV= 3.841.)
Age (in years)	21-25	05	2.5	68.5059 significant @5% level. Rejects the H0 and accepts alternative that there exist significant variation. TV = 11.070
	26-30	10	5.0	
	31-35	40	20.0	
	36-40	60	30.0	
	41-45	45	22.5	
	46 and above	40	20.0	
	Total	**200**	**100**	
Education Qualification	SSC	70	35.0	50.00 Significant @ 5%. Rejects the H0 and accepts H1 that there exists significant variation in the data. TV = 9.488.
	Intermediate	40	20.0	
	UG Degree	50	25.0	
	PG Degree	30	15.0	
	Others (Diploma, ITI etc.)	10	05.0	
	Total	**200**	**100**	
Income (in rupees).	10000-20000	35	18.0	56.25 Significant @ 5%. Rejects Ho and accepts H1 that there exists significant variation in the data. TV = 9.488.
	21000-30000	40	20.0	
	31000-40000	80	40.0	
	41000-50000	25	12.0	
	>51000	20	10.0	
	Total	**200**	**100**	

Source: Field Survey.

Table – 2.0

Retailer's awareness about factors affecting purchase of green products

Retailers awareness level	**SA**	**A**	**SWA**	**T**
Raising awareness shown by consumers	30	12	5	47
Changing demographic profile of consumers	24	8	3	35
Protection of environment	23	10	5	38
Consumers readiness to buy green products at premium	22	9	3	34
Government regulations and sale of green products	31	11	4	46
Total	**130**	**50**	**20**	**200**

Source: field survey; Note: SA=Strongly Agree; A= Agree; SWA=Some What Agree

Table – 2.1: Hypotheses

H0	There is no significant variation in the awareness level and respondents are not aware of factors affecting the purchase of green products	Reject
H1	There is significant variation in the awareness level and respondents are aware of factors affecting the purchase of green products	Accept

Table – 2.2: ANOVA

Source of variation	SS	Df	MS	F.Ratio	5% F limit (From F Table)
Between the sample	1120	(3-1)=2	1120/2	560/8.67	
Within the sample	104	(15-3)=12	=560 104/12 =8.67	=64-59	(2 12) =3.88
Total	1224	(15-1)=14			

Source: Field Sources

Table – 3.0

Retailer's inducing consumers to buy eco-friendly products

Respondents inducing consumers to buy eco-friendly product	**SA**	**A**	**SWA**	**T**
Follow fair trade practices, never follow black marketing and be loyal to consumers	24	6	3	33
Enhance consumer preference regarding green products proving their benefits	18	5	2	25
Increase recognition of green products versus environment unfriendly products.	20	3	3	26
Creating a website and show the features of green products	18	3	2	23
Host several informal events to provide the benefits of green financial market	21	5	3	29
Train the staff members so as to acquire knowledge about environmental issues	19	6	4	29
Spread the environmental knowledge	24	7	4	35
Total	**144**	**35**	**21**	**200**

Source: Field survey; Note: SA=Strongly Agree; A= Agree; SWA=Some What Agree

Table – 3.1: **Hypotheses**

H0	There exist no significant variation in the data and retailers are not aware of inducing consumers to buy eco-friendly	Reject
H1	There exist significant variation in the data and retailers are aware of inducing consumers to buy eco-friendly	Accept

Table – 3.2: **ANOVA**

Source of variation	**SS**	**Df**	**MS**	**F.Ratio**	**5% F limit (From F Table)**
Between the sample	1295.3031	(3-1) =2	1295.3031/2	647.65155	647.65155/3.20635
Within the sample	57.7143	(21-3)=18	57.7143/18 =3.20635		=201.99 (2.18) =3.55

Total	1,353.0174	(21-1)=20			

Source: Field Sources

Table –4.0

Retailer's suggestions for companies to improve production of eco-friendly products

Retailers suggestions to companies	ASA	SA	A	SWA	T
Increase credit sales in the channel manufacturer- whole seller and retailers	18	10	2	1	31
Promote environmental issues in general to the public highlighting the advantages of eco-friendly products	20	14	3	2	39
Through innovative strategies adoption explain the dangers of using harmful products environmentally harmful packing material	26	17	2	1	46
Explain elaborately the dangers of using products whose ingredients are harmful to the environment	24	11	4	3	42
Adopt innovative advertisement and publicity through powerful medias like TV, press and other multimedia	22	13	4	3	42
Total	**110**	**65**	**15**	**10**	**200**

Source: Field survey; Note:ASA=Always Strongly Agree; SA=Strongly Agree; A= Agree; SWA=Some What Agree

Tabel 4.1: Hypotheses

H0	There exist no significant variation in the data and retailers are not suggesting the companies to improve promotion of eco-friendly products	Reject
H1	There exist significant variation in the data and retailers are suggesting the companies to improve promotion of eco-friendly products	Accept

Table-4.2: ANOVA Table

Source of variation	SS	Df	MS	F.Ratio	5% F limit C From F Table
Between the sample	1330	(4-1)=3	1330/3 =443.3333	443.3333/4.875 =90.94	
Within the sample	78	(20-4)=16	78/16 4.875		=(3, 16) =3.24
Total	1408				

Source: Field Sources

Table – 5

Retailer's influence on consumers to buy high priced eco-friendly products

Driving force of influence	SA	A	SWA	T
Show the consumers, the benefits derived on using eco-friendly products	25	16	3	44
Support wisdom in taking eco-friendly products	20	12	2	34
Appraise the consumers about social responsibility performed by some companies that are making eco-friendly products	18	18	4	40
Explain the features of different eco-friendly products to the visiting consumers	27	14	2	43
Design the shop interior in an attractive way which attracts the attention of consumers	20	16	3	39
Total	**110**	**76**	**14**	**200**

Source: Field survey; Note: SA=Strongly Agree; A= Agree; SWA=Some What Agree

Table-5.1: Hypotheses

H0	There exist no significant variation in the data and respondent retailers are not influencing the consumers to buy high priced eco-friendly products	Reject
H1	There exist significant variation in the data and respondent retailers are influencing the consumers to buy high priced eco-friendly products	Accept

Table -5.2: ANOVA

Source of variation	SS	Df	MS	F.Ratio	5% F limit C From F Table
Between the sample	947.7335	(3-1)=2	947.7335/2 =473.867	473.867/6.8 =69.68	
Within the sample	81.6	(15-3)=12	81.6/12 =6.8		(2, 12) =3.88
Total	1029.3335	(15-1)=14			

Source: Field Sources