

Exploring the Factors Affecting Purchase Intention of Consumers for Green Products

Vivek M. C^a and Sahana S^b

^aM.Sc. Scholar, Department of Agricultural Extension, ^bAssistant Professor, Department of Agricultural Extension University of Agricultural and Horticultural Sciences, Shivamogga, Karnataka, India

Abstract

Green marketing has become the new mantra for marketers as it satisfies the needs of the consumers and earn better profits. The growing interest among the consumers for environmental protection has forced companies to adopt green and sustainable practices which are less detrimental to the environment. Companies are working round the clock to reduce the impact of their products and services on various environmental parameters. Younger consumers are said to be more conscious about their consumption behaviour and its environmental consequences. The present study attempts to find out the important factors that affects the purchase behaviour of young Indian consumers towards green products. Primary data collected from 102 consumers with the help of an online questionnaire was analysed using Garrett ranking technique to obtain the results. Empirical evidence from the study shows that 'Environmental concern' is the most important factor followed by 'Product price' and 'Awareness about green products'. Thus, young Indian consumers have a high level of environmental consciousness and are ready to buy green products if the product price is reasonable. Marketers need to focus on creating awareness among the people about the merits of green products and the issues that their product attempt to address.

KEYWORDS: Green marketing, Consumer, Factors, Environmental concern, Product price, Awareness

Introduction

Green marketing incorporates all activities designed to produce and facilitate any exchange aimed at satisfying human needs with minimal detrimental impact on the environment (Polonsky, 1994). The evolution of green marketing consists of three phases namely 'Ecological marketing' which is concerned with making the products eco-friendlier, followed by 'Environmental marketing' that emphasis on minimizing environmental pollution. Third phase, 'Sustainable green marketing' came into prominence in the early 2000s which focuses on developing products that ought to meet customer needs without causing harm to the environment (Peattie, 2001). People are becoming increasingly worried about the environment and are changing their consumption behaviour so as to be less hostile towards it. Realizing the change in attitude of people towards the environment and their preference for eco-friendly products, marketers are swinging on to sustainable green strategies so as acquire competitive advantage and ensure sustainable consumption of their products in the markets (Tiwari et al., 2011).

Purchase decision of green consumers are affected by two sets of factors. One set includes the intrinsic factors such as environmental consciousness, willingness to protect the environment and realization of their environmental responsibilities. Second set comprises of extrinsic factors such as social image of the consumer and

product characteristics like price, quality, advertisement and its impact on human health (Kumar and Ghodeswar, 2015). Though the concept of green marketing has evolved in the early 1970's, it's still in its nascent stage even in emerging economies like India. Probable reason for such straggling can be due to the fact that, majority of the consumers especially in developing countries will not pay a premium for green products unless and until they seen an additional benefit such as quality, eco-friendliness, fuel efficiency etc. attached with the product (Renfro, 2010). Thus, there can be numerous factors which tends to influence the green purchasing behaviour of the consumers. This paper aims at identifying the important factors affecting the purchase of green products among the young Indian consumers.

Methodology

The study was conducted during January and February 2020 with the help of an online questionnaire. Based on the review of literature, 8 factors which tends to influence the consumers while purchasing green products were selected for the study. A total 102 consumers responded to the online survey and were considered for further analysis. To determine the most significant factor influencing green purchase behaviour of the consumer, Garrett ranking technique was followed.

Garrett ranking technique: Respondents were asked to rank the them according to its degree of importance such that the most important factor will be ranked first. To find out the most significant factor influencing the respondent, the outcome of the rankings was converted into percent position by using the following formula:

$$\text{Percent position} = \frac{100 (R_{ij} - 0.5)}{N_j}$$

Where, R_{ij} = Rank given for the i^{th} variable by j^{th} respondents

N_j = Number of variables ranked by j^{th} respondents

The percent position estimated was converted into scores with the help of Garrett's Table. The scores of each individual rank corresponding to that particular factor were added and the mean values of score was calculated. The factors having highest mean value has to be considered to be the most important factor.

Results and discussion

Demographic data from the survey as depicted in the Table 1 reveals that majority (84.30%) of the respondents were in the age group of 20-35 years. Thus, the study distinctly captures the perception of young Indian consumers regarding the factors which influence their purchase behaviour. Most of the respondents possess education level above graduation (68.6%) followed by graduation (29.40%). Further, more than half of the respondents (52.90%) had an annual income above 1 lakh rupees followed by less than 20 per cent of the respondents having an annual income in the range of 0.25-0.50 lakhs.

Table 1: Distribution of respondents based on their socio-personal characteristics

Characteristics	Category	Frequency	Percentage
Age	Below 20	1	1
	20-35	86	84.30
	Above 35	15	14.70
Education	Illiterate	0	0
	Primary School	0	0
	Middle School	0	0
	High School	0	0
	PUC	1	1
	Diploma	1	1
	Graduate	30	29.40
	Graduation and above	70	68.60
Annual income	Below 25000	15	14.70
	25000-50000	19	18.60
	50000-100000	14	13.70
	Above 100000	54	52.90

Table 2 shows the rankings provided by the 102 respondents for various factors influencing their green purchase behaviour. Among 102 consumers, 62 of them gave first rank for 'Environmental concern' and 17 of them gave second rank to it. Similarly, 38 consumers gave first rank to 'Product price' citing it as the most important factor. Whereas, 22 consumers were of the opinion that 'Awareness about the green products' is the most influential factor when it comes to green products.

Table 2: Ranking of the factors as perceived by the consumers

Sl. No.	Factors	Rank Given by the Respondents							
		1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th
1.	Product Price	38	23	19	10	7	3	1	1
2.	Awareness about green products	22	28	22	18	6	2	1	3
3.	Availability of the green products	17	25	20	15	13	4	7	1
4.	Past experience	13	16	14	18	14	15	2	10
5.	Credibility of the band	18	20	8	20	19	7	5	5
6.	Rules and regulations	11	19	13	10	11	12	10	16
7.	Advertisement	12	10	14	11	7	16	19	13
8.	Environmental concern	62	17	7	4	6	1	1	4

Per cent position for the ranks were calculated using Garret ranking formula. Based on the percent position Garret value for corresponding ranks were found out using Garret table and are depicted in Table 3.

Table 3: Calculation of Percent Position and Garret Value

Sl. No.	$100 (R_{ij} - 0.5) / N_j$	Calculated Value	Garret Value
1.	$100*(1-0.5)/8$	6.25	80
2.	$100*(2-0.5)/8$	18.75	68
3.	$100*(3-0.5)/8$	31.25	60
4.	$100*(4-0.5)/8$	43.75	53
5.	$100*(5-0.5)/8$	56.25	47
6.	$100*(6-0.5)/8$	68.75	41
7.	$100*(7-0.5)/8$	81.25	32
8.	$100*(8-0.5)/8$	93.75	20

Further, to obtain scores for each factor, garret value is multiplied with corresponding frequencies of that particular rank. By adding each row, the total Garret scores were obtained and the mean value of Garret score can be used to determine the most important factor influencing the consumer (Table 4).

Table 4: Calculation of Garret Score and Ranking

Sl. No.	Factors	Rank Given by the Respondents								Total	Percent	Rank
		1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th			
1.	Product Price	3040	1564	1140	530	329	123	32	20	6778	66.45	2
2.	Awareness about green products	1760	1904	1320	954	282	82	32	60	6394	62.69	3
3.	Availability of the green products	1360	1700	1200	795	611	164	224	20	6074	59.55	4
4.	Past experience	1040	1088	840	954	658	615	64	200	5459	53.52	6
5.	Credibility of the brand	1440	1360	480	1060	893	287	160	100	5780	56.67	5
6.	Rules and regulations	880	1292	780	530	517	492	320	320	5131	50.30	7
7.	Advertisement	960	680	840	583	329	656	608	260	4916	48.20	8
8.	Environmental concern	4960	1156	420	212	282	41	32	80	7183	70.42	1

Results presented in the Table 4 after the analysis of data reveals that 'Environmental concern' is the most significant factor influencing green purchase behaviour of the consumer with a Garret mean score of 70.42 (1st rank) followed by 'Product price' with a mean score of 66.45 (2nd rank) and 'Awareness about green products' with corresponding mean score of 62.96 (3rd rank). This finding is in concordance with those of Kumar and Ghodeswar (2015) who indicated that the purchasing of green products was significantly influenced by consumers' drive for

environment responsibility. Similarly, Uddin and Khan (2016) revealed that Green purchase behaviour of the young consumers were directly and indirectly influenced by the factor environmental involvement that can be defined as the desire of an individual to conserve the environment. Factors such as Availability of the green products, Credibility of the brand, Past experience, Rules and regulations and Advertisement obtained 4th, 5th, 6th, 7th and 8th rank respectively. In a similar study, Bhatia and Jain (2013) revealed that consumers rated 'Awareness about the green products' as the most influential factor with a mean score of 4.31, followed by 'Availability of the green products' and 'Product price' with second and third position respectively.

Findings of the study indicates that young Indian consumers are highly environmental consciousness and it is one of the important factors influencing their green product purchasing behaviour. Peer pressure might suggest and reinforce the idea of environmental consciousness and thereby influence the purchasing behaviour of younger consumers (Uddin and Khan, 2016). Advancements in the field of interactive multimedia and increased effectiveness in promotional activities can be cited as the probable reason for this raised environmental consciousness among the younger generation. Product price was ranked as the second most influential factor. This finding is in agreement with those of Renfro (2010) who stated that consumers in the developing countries willing to pay premium for the green products only when there is an additional benefit associated with the product in terms of quality or its impact on human health. Before making a purchase decision, consumers tend to make a deliberate evaluation of the individual, environmental and social consequences associated with the green products (Kumar and Ghodeswar, 2015). This reflects the sustainable trend in the consumption pattern of young Indian consumers.

Conclusion

Young Indian consumers seems to have high level of environmental consciousness and are even ready to buy green products. At the same time, they are concerned about product price and are ready to pay premium for the green product only when there is an additional benefit associated with it. As perceived by the consumers, awareness about the green products is an important factor influencing their green purchase behaviour. Marketers needs put vigorous effort on making consumer more aware about the merits of their green products and the issues that their product attempts to address. Government can also play key role in this aspect by encouraging consumers and promoting firms to go green. Green marketing should not be considered as a new strategy to make better profits for the marketing firms, it has to be pursued with much greater vigour, since it has a social and environmental dimension to it.

References

- Bhatia, M., & Jain, A. (2013). Green marketing: A study of consumer perception and preferences in India. *Electronic Green Journal*, 1(36): 1-20.
- Dennis, C., Harris, L., Peattie, K., & Crane, A. (2005). Green marketing: legend, myth, farce or prophesy?. *Qualitative market research: an international journal*. 8(4): 357-370.
- Kumar, P., & Ghodeswar, B. M. (2015). Factors affecting consumers' green product purchase decisions. *Marketing Intelligence & Planning*. 33(3): 330-347.

- Polonsky, M. J. (1994). An introduction to green marketing. *Electronic green journal*, 1(2).
- Renfro, L. A. (2010). Green business operations and green marketing. *Gatton Student Research Publication*, 2(2): 1-8.
- Tiwari, S., Tripathi, D. M., Srivastava, U., & Yadav, P. K. (2011). Green marketing-emerging dimensions. *Journal of Business Excellence*, 2(1): 18-23.
- Uddin, S. F., & Khan, M. N. (2016). Green purchasing behaviour of young Indian consumers: An exploratory study. *Global Business Review*, 17(6): 1469-1479.