



INTERNATIONAL JOURNAL OF ADVANCE RESEARCH AND DEVELOPMENT

(Volume 3, Issue 1)

Available online at www.ijarnd.com

A Study on the Impact of Green Marketing on Consumer Buying Behavior in Automobile Industry

Rhea R. Valecha¹, Saumya Mathur², Vanshita Khanna³

Christ University, Bangalore, Karnataka

ABSTRACT

The paper helps us identify know the effect of green marketing practices of automobile manufacturing companies on consumers. It is imperative and important for the researcher to know how "Green" the consumers are in terms of their knowledge, their attitudes and behaviour. Environmental attitude or green attitude is identified as the judgement of an individual towards the protection and promotion of the environment. It has always been believed by consumer behaviour scientists that an individual's actions or behaviour can be predicted by their attitudes. Research and in-depth study was carried out to understand the awareness, attitude and behaviour of consumers in terms of environment more specifically related to automobile sectors.

Keywords: Green Marketing, Buying Behaviour, Consumer Awareness, Green Product, Consumer's Laziness, GDP, Automobile Industry.

1. INTRODUCTION

Industry Profile

Transportation Sector in India

The Automobile business in India is one of the biggest on the planet and one of the quickest developing universally. Car industry involves a conspicuous place on the canvas of the Indian economy. India's traveler auto and business vehicle fabricating industry is the 6th biggest on the planet, with a yearly creation of more than 3.9 million units in 2011.

As indicated by the Annual Convention report of Society of Indian Automobile Manufacturers (SIAM), Indian vehicle industry as of now records for just about 7% of our GDP and utilizing around 19 million individuals both specifically and in a roundabout way.

As per the Society of Indian Automobile Manufacturers, yearly vehicle deals are anticipated to increment to 5 million by 2015 and more than 9 million by 2020. By 2050, the nation is relied upon to beat the world in auto volumes with around 611 million vehicles on the country's streets. This development has come after the monetary progression was started in our nation in 1991.

Green Marketing

Meaning of Green Marketing

A watchful investigation of these definitions has inferred that, Green marketing is not simply making green claims or publicizing or bundling. It involves a great deal more than picture building. It is a considerably more extensive idea and includes all the marketing exercises which the organizations attempt to make a positive effect or diminish the inconvenient effect of their item or administrations on nature.

Green Marketing involves different exercises incorporate statistical surveying to recognize the market and target portion for the green item, concentrate the purchasers mindfulness, disposition and conduct in regards to the green items, situating and making brand picture of the items and building up a green marketing blend program.

Green Marketing & Its Need

It is reported that, approximately two million people worldwide die from air pollution each year. According to data collected by the WHO from nearly 1,100 cities across 91 countries, elevated level of fine particle pollution, which could cause heart diseases, lung cancer, asthma and acute lower respiratory infections, are common across many urban areas, with some cities registering pollution levels 15 times as much as the WHO guidelines.

India is one of the most vibrant and largest economies in the world and will continue to be so for the next two decades. The Indian economy has been growing between 7 to 8% a year since long and is likely to grow for the next two decades. India is likely to have a GDP of USD 4 trillion and a population of 1.5 billion by 2030. The trend of economic growth is a good sign for the developing country like India.

However, India would face major challenges includes rising consumption and demand for energy, increasing greenhouse gas emissions; and constraints on critical natural resources such as land, water and oil along with the growth and development.

Enormous economic and population growth worldwide in the second half of the twentieth century have threatened the health of the planet – ozone depletion, climate change, depletion of forest cover, fouling of natural resources, and extensive loss of biodiversity and natural habitats.

Buying Behaviour of Consumers – Green Products

McKinsey Quarterly, Mar 2008 report based on the survey conducted in Brazil, Canada, France, Germany, India, United Kingdom and the United States has revealed that, consumers say that they are concerned about the environment and worried about the air pollution, depletion of natural resources, hole in the ozone layers, shrinking of animal habitat etc.

Further to this, the report has indicated that, 87% of these consumers are concerned about the environmental and social impacts of the products they buy. However, when it comes to actual purchase, the purchase behaviour differs from what they say.

It may be because of consumer's laziness, not sincere towards environment. But, it may not be the only reason for not buying the green product. It may be consumers are not properly educated about the benefit of green products or it may be firms are not been able to make the green products which can satisfy consumers by fulfilling their needs.

Many customers buy Green Product for non-green reason without even knowing that they are green or not necessarily for environmental reasons while buying the product. For example, recycle or biodegradable paper products like napkins, towels, computer paper etc.

Barriers of Green Buying Behaviour

- Lack of Awareness
- Negative Perceptions
- Distrust
- High Prices
- Low Availability

Steps to Remove the Barriers

- Educate Consumers:
- Build Better Products:
- Be Honest
- Offer More
- Bring products to the People

2. REVIEW OF LITERATURE

Oyewole, P. (2001). Social Costs of Environmental Justice Associated with the Practice of Green Marketing. *Journal of Business Ethics*, 29(3), Feb, pp. 239-252. This paper presents a conceptual link among green marketing, environmental justice, and industrial ecology. It argues for greater awareness of environmental justice in the practice for green marketing. In contrast with the type of costs commonly discussed in the literature, the paper identified another type of costs, termed 'costs with positive results,' that may be associated with the presence of environmental justice in green marketing. A research agenda is finally suggested to determine consumers' awareness of environmental justice, and their willingness to bear the costs associated with it.

Meriläinen, S., Moisander, J. & Personen, S. (2000). The Masculine Mindset of Environmental Management and Green Marketing. *Business Strategy and the Environment*, 9(3), pp. 151-162. Environmental management systems and green marketing programmes have gained increasing popularity in western market economies. They are viewed as cost-efficient, effective and just means of tackling problems associated with the impact of economic activity on the environment. It is argued in this article, however, that these optimistic views are based on a number of ideas, images and metaphors that retain many androcentric and inadequate assumptions about self, society and nature that may be incompatible with long-term environmental protection goals.

Prothero, A. & Fitchett, J.A. (2000). Greening Capitalism: Opportunities for Green Community. *Journal of Macromarketing*, 20(1), pp. 46-56. In this paper, the authors argue that greater ecological enlightenment can be secured through capitalism by using the characteristics of commodity culture to further progress environmental goals.

The authors reject both naive ecological romanticism and revolutionary idealism on the grounds that they fail to offer any pragmatic basis by which greater environmental responsibility can be achieved. Drawing on the now well-established theoretical tradition of post-Marxist cultural criticism, the authors offer a conceptual justification for the development and implementation of a green commodity discourse. For this to be achieved and implemented, prevailing paradigms regarding the structure, nature, and characteristics of capitalism must be revised. Marketing not only has the potential to contribute to the establishment of more

sustainable forms of society but, as a principle agent in the operation and proliferation of commodity discourse, also has a considerable responsibility to do so.

Prothero, A. (1998). Green Marketing: The 'Fad' That Won't Slip Slide Away. *Journal of Marketing Management*, 14(6), July, pp. 507-513. The author introduces several papers discussed in the July 1998 issue of 'Journal of Marketing Management' focusing on green marketing. This includes; a citation of the need to review existing literature on green marketing, an empirical study of United States and Australian marketing managers, a description of what a green alliance look like in practice in Great Britain, ecotourism and definitions of green marketing.

Kilbourne, W.E. & Beckman, S.C. (1998). Review and Critical Assessment of Research on Marketing and the Environment. *Journal of Marketing Management*, 14(6), July, pp. 513-533. This paper provides a review and categorization of the environmentally related research published in the major English language marketing journals over the period from 1971 to 1997. It traces the development from the early research which focused predominantly on the characterization of the "green" consumer, conceptualization of environmental consciousness, environmentally related behaviour such as recycling, and attitudes towards environmental problems such as pollution. This was followed by a period in which energy conservation, legislation, and public policy issues were added to the agenda which remained predominantly managerialist in perspective. While the same issues were studied within the 1990s, the research agenda was expanded again to include broader issues such as environmental values and institutions. Most recently, the macro issues of sustainable marketing and its relationship to the dominant social paradigm have been introduced into the literature. The paper concludes by arguing that the examination of the macro issues from an interdisciplinary perspective is necessary for further development of marketing thought in this area, and that a synthesis of the macro and micro perspectives is necessary for effective and enduring public policy regarding the marketing/environmental relationship.

3. RESEARCH METHODOLOGY

Research Statement

Analyze the awareness, impact and benefits of Green Marketing on consumer buying behaviour in the automobile industry with respect to Hyderabad and Bengaluru.

Objectives

1. To study the impact of green marketing on consumer buying behaviour.
2. To understand the role of green marketing in the automobile industry.

Research Questions

1. How does green marketing influence the purchase decision of consumers?
2. What importance does green marketing have in the automobile industry?

RECOMMENDATIONS & SUGGESTION

The following are the recommendations and suggestions obtained from the research performed:

- i. There is significant impact of green marketing on consumer buying behaviour with respect to the automobile industry.
- ii. In hypothesis testing "P value" is greater than alpha value; therefore, null hypothesis testing is rejected.
- iii. Respondents are aware of environmental issues.
- iv. Awareness of green marketing differs in different age groups.
- v. In spite awareness people do not act accordingly.
- vi. Companies should do research and great a sense of belonging towards the environment to survive in the market.
- vii. Every age group should be informed of depleting fossil fuels and should be encouraged to take action.
- viii. Companies should be encouraged to produce eco-friendly vehicles.
- ix. Consumers should be able to compile all amenities in eco-friendly vehicles to gain customers.

FINDINGS & CONCLUSIONS

To identify know the effect of green marketing practices of automobile manufacturing companies on consumers, it is imperative and important for the researcher to know how "Green" the consumers are in terms of their knowledge, their attitudes and behaviour. Environmental attitude or green attitude is identified as the judgement of an individual towards the protection and promotion of the environment. It has always been believed by consumer behaviour scientists that an individual's actions or behaviour can be predicted by their attitudes.

Research and in-depth study was carried out to understand the awareness, attitude and behaviour of consumers in terms of environment more specifically related to automobile sectors and the findings of the same are discussed in the subsequent paragraphs. It has been easily observed that consumers (car owners) are aware that, vehicle emissions are the largest contributor to pollution and auto fuel is the main reason of emission. Further to this, they are also aware that, CNG is the most environment friendly auto fuel. Most of the car owners are aware of the term 'Global Warming' but very few are aware of the term 'Green Marketing'.

It can be concluded that, people are discussing about the Global Warming in different forums, but Green Marketing being the new concept has not been known to many. Further to this, most of the car consumers feel four wheelers available in our country are not environmental friendly and companies charge exorbitant prices for environment friendly cars and only few consumers believe that, automobile companies follow green practices.

The awareness level on all attributes relating to green marketing is relatively high. The awareness levels across the age groups are significantly different on certain statements.

It is often found that even after having the right knowledge and attitude, when it comes to action, the consumer's behaviour changes. Previous studies show that consumers often feel accountable for many environment problems. However very few are ready to sacrifice their convenience and comfort.

REFERENCES

- [1] Azzone, G., Manzini R. (1994), —Measuring Strategic Environmental Performance, *Business Strategy and the Environment*, Vol. 3, pp. 1-14.
- [2] Bansal, P., and Roth, K. (2000). Why companies go green: A model of ecological responsiveness. *Academy of Management Journal*, Vol. 43, No. 4, pp. 717–736.
- [3] Bateman, T.S. & Zeithaml, C.P. 1983. *Management: Function and Strategy*, 2nd Edition, Illinois: RD Irwin
- [4] Bradley, N., (2007), —The Green Marketing Mix, *Industrial Marketing research Association News*, Available at <http://www.wmin.ac.uk /marketingresearch /Marketing /greenmix.htm>.
- [5] Coddington W. 1993. —Environmental marketing: Positive Strategies for Reaching the Green Consumer, McGrawHill: New York.
- [6] Crane, A. (1998). *Marketing, Morality, and the Natural Environment*. Unpublished Doctoral Thesis of the University of Nottingham.
- [7] Crane, A. (2000), —Facing the backlash: green marketing and strategic re-orientation in the 1990s, *Journal of Strategic Marketing*, Vol. 8 No. 3, pp. 277-96.
- Ernst & Young's 2012, Ready for the Transition, Ernst & Young's 2012 attractiveness survey.
- [8] Fraj, E., and Martinez, E. (2006). —Ecological consumer behaviour: an empirical analysis, *International Journal of Consumer Studies*, Vol. ISSN 1470-6431, pp. 26-33. © Blackwell Publishing Ltd.
- [9] http://en.wikipedia.org/wiki/Green_marketing
- [10] <http://wendy-roltgen.suite101.com/how-to-utilize-green-marketing-for-your-business-a107468>.
- [11] http://www.chillbreeze.com/articles_various/top-10-indian-green-companies-green-business-practices.asp.
- [12] <http://www.oppapers.com/essays/Indian-Automobile-Industry/439952>
- Hurford (2009), _City Blueprints – Pathways to sustainable mobility, TLR
- [13] Jain, S.K. and Kaur, G. 2003b, —Strategic Green Marketing: How should business firms go about adopting it? I, *Indian Journal of Commerce*, 55(4); Oct – Dec 1-16.
- [14] Jamie McMahon: 2009, Greening your staff, Credit Union Executives Society, 22-24
- [15] Joshi, N., and Mishra, D.P. (2012). —Environment Friendly Car: A study of Customer Awareness in Maharashtra. In Ninth AIMS International Conference on Management on January 1-4, pp. 923-928.
- [16] Joy Dunkerley and Irving Hoch, —Energy for Transport in Developing Countries, in *Energy Journal* 8 (3), (Jul 1987): 57-72
- [17] (Jun 5, 2012 at 4:10 PM). <http://health.india.com/news/two-million-die-of-air-pollution-every-year/>
- [18] Karna, J., E. Hansen and H. Juslin: 2003, _Social Responsibility in Environmental Marketing Planning', *European Journal of Marketing* 37(5/6), 848–871.
- [19] Keller, G. M. 1987. "Industry and the Environment: Toward a New Philosophy." *Vital Speeches* 54 (5): 154-157
- [20] King, A.A., and Lenox, M.J. (2002). —Exploring the locus of profitable pollution reduction, *Management Science*, Vol. 48, pp. 289-299.
- [21] King, S. (1985), —Has marketing failed, or was it never really tried?, *Journal of Marketing Management*, Vol. 1, pp. 1-19.
- [22] Kotler, P., —Marketing Management, 7th ed., Prentice-Hall, Englewood Cliffs, NJ
- [23] Leonidou, L.C., Leonidou, C.N., and Kvasova, O. (2010). —Antecedents and outcomes of consumer environmentally friendly attitudes and behaviour, *Journal of Marketing Management* Vol. 26, Nos. 13–14, December 2010, 1319–1344, © Taylor & Francis.
- [24] Louppe, A., (2006), —Contribution du Marketing au développement Durable, *Revue Française du Marketing*, July 2006, 208.

- [25] Margaret H. Whittaker, Elizabeth Engimann and Imogen Sambrook: 2009, Ecolabels: Environmental Marketing in the Beauty Industry, 30-32.
- [26] McCarty, J.A and Shrum, L.J (2001), —The influence of individualism, collectivism and locus of control on environmental beliefs and behaviorl, *Journal of Public Policy and Marketing*, 20 (1), 93-104.
- [27] Miller, M., (2008), —Green is goodl, *Target Marketing*, October 2008, pp. 61-62.
- [28] Mondal, A & Charty, N. (2006), —Impact of CNG on Vehicular Pollution in Delhi, *Transportation research – Part D*, 7 (5), 373-87
- [29] McKinsey & Co. (March, 2009), —Roads toward a low-carbon future: Reducing CO2 emissions from passenger vehicles in the global road transportation systeml, March, 2009.
- [30] National Association of Attorneys-General (NAAG). (1990), —The Green Report: Findings and Preliminary Recommendations for Responsible Advertising, USA: National Association of Attorneys-General.
- [31] NCEAR, (2007), *State Policies Affecting Competition: Passenger Road Transportation Sector*, National Council of Applied Economic Research, April 2007.
- [32] Sanjit Kumar Roy.: 2006, *Green Marketing*, the Icfai University Press.
- [33] Sharma R. D., Sandeep Jain & Kewal Singh, Jul 2011, —Growth rate of Motor Vehicles in India – Impact of Demographic and Economic Developmentl, *Journal of Economic and Social Studies*, Volume 1, Number 2, Jul 2011.
- [34] Shearer, Jeffry W, 1990 —Business and the New Environment Imperativel. *Business Quarterly*, 54 (3):48-52.
- [35] Shrikanth, R., and Raju, D.S.N. (2012). —Contemporary Green Marketing - Brief Reference to Indian scenariol, *International Journal of Social Sciences & Interdisciplinary Research*, Vol.1 No. 1, January, ISSN 2277 3630, pp. 26-39. Online Available at <http://www.indianresearchjournals.com>.
- [36] Shrivastava, P.: 1995, ‘_Environmental Technologies and Competitive Advantage’, *Strategic Management Journal* 16, 183–200.
- [37] Verdiem Corporation. 2008. Verdiem’s top ten reasons to go green in IT. (Online) Available at: http://www.energycamp.olorg/wiki/index.php/Top10_Reasons_To_Go_Green_IT.
- [38] Walley, N. and B. Whitehead: 1994, ‘_It’s Not Easy Being Green’, *Harvard Business Review* 72(3), 46–52.
- [39] WBCSD (2004), ‘_World Business Council for Sustainable Development, 2004, Mobility 2030: Meeting the challenges to sustainability, Geneva, Switzerland’, Sustainable Mobility Project, WBCSD
- [40] Weart, S., (2007), *the Carbon Dioxide Greenhouse Effect, the Discovery of Global Warming*, June 2008
- [41] www.epa.qld.gov.au/sustainable_industries
- [42] www.greenmarketing.net/stratergic.html
- [43] www.greenpeace.org/international
- [44] www.linkingsustainability.com
- [45] Yurman, D., (1994), "Markets for Green Technologies; Working Paper, Current Literature Review and Bibliography." *EcoNet Western Lands Gopher*, June. Superseded by "Green Technology: Markets, Competition and Barriers; New Paradigms for Natural Resources." September 13, 1994.
- [46] Charter, M.; Peattie, K.; Ottman, J and Polonsky, M.J. (2002), —Marketing and sustainabilityl, Brass Publications.