Chapter – V

RESEARCH METHODOLOGY
5.1 OBJECTIVES OF THE STUDY

- To determine the consumers’ pro-environmental concerns,
- To determine awareness of eco-friendly products among Indian customers
- To study the perception of Indian Consumers towards Eco-friendly products with specific reference to Fast Moving Consumer Goods and its impact on their purchasing decision.

5.2 NEED IF THE STUDY

Many studies reveal that consumer concern about the environment has steadily increased all over the world in the past two decades. Although everyone is affected by deteriorating environment, but it is generally believed that green consumerism is a thought that is limited to developed world comprising of North America, Western Europe, Japan, and Australia. There exists a significant difference between developing and developed countries in terms of economic well being and green awareness. In developing countries, like India, because of widespread poverty and illiteracy, there is a general opinion that only after the basic necessities are fulfilled, that the people will pay attention to environment protection. When this line of thought is extended, it is therefore assumed that emerging markets and developing nations should be less concerned about the environment than in the developed markets

The studies concerning environmental concern are mainly carried out in developed countries which are also major contributors to environmental degradation. For example, in a developed Western Societies, consumption of eco-friendly products are driven, in part, by the fact that consumers are well educated, better informed, and awareness is greater of consumer rights and product requirements As a result of all these, personal habits and lifestyles of consumers in the US and Western Europe are becoming more environmentally responsible

There is a need of such a research in less affluent countries, as they also have registered their names in the black list of polluters. As per Copenhagen Climate Talks on 5th Dec. 2009, India is one of the world's biggest emitters of carbon dioxide - a greenhouse gas blamed for global warming.

Although the consumer’s environmental concern is showing an increasing trend in India, still it is highly questionable, that this environmental sophistication will get translated into
increased green purchasing or conservation of energy. Moreover, all green activities cannot be put into the same basket, as these activities are the outcome of different ecological philosophy.

The present study includes selection of a sample from one of the most polluting region i.e. National Capital Region (NCR) of Delhi in India, establishes the relationship between the consumer attitude and behaviour and different demographic variables.

5.3 HYPOTHESIS FORMULATION

The study highlights the importance of the new paradigm ‘environmental marketing’ and consumer’s perception regarding the environment and eco-friendly products. Though we have a plethora of laws for protecting the environment, environmental improvements have not taken place in the right direction and at desirable pace.

The present study comprises a sample from one of the most polluting region (NCR) in India. It tries to find out people’s concern about environment, when ‘green’ has become the buzzword. National Capital Region of Delhi being an economically well developed region has emerged as an educational and industrial hub in India. There is nothing wrong in assuming that the city with considerably good literacy rate is well aware of the environmental degradation and its repercussions to the human race. Thus the hypothesis was formulated as:

H₁: Indian Consumers are not significantly concerned about environmental degradation.

H₂: Indian Consumers are significantly concerned about environmental degradation.

H₂: Demographic Variables have no impact on Eco-friendly behaviour of the consumers.

H₃: Demographic variables have an impact on Eco-friendly behaviour of the consumers.

H₃: There is no relationship between key variables of green marketing mix and consumer Eco-buying behaviour.
Hₐ: There exists a relationship between key variables of green marketing mix and consumer Eco-buying behaviour.

The present research discusses the concept of green marketing and its interface with consumers. It is based on the data collected through a field survey of 500 consumers through structured questionnaire, to assess their attitude towards green marketing. In this survey, probability sampling methods like random stratified and cluster etc. were not considered suitable as the population using the environmentally friendly products is not well definite. Non probability approach of sampling was adopted by the researcher, and Judgment and convenience sampling methods were used for selecting the subjects to ensure that subjects are from metro, city and town representing the different age groups, gender, education level, and monthly household income. The survey was conducted in National Capital Region. Consumers belonging to SEC – A1 and A2 segments (Socio-economic classification) are surveyed. Demographic variables, gender, household income, education and age, are taken into consideration along with these segments. The SEC classification, created in 1988, was ratified by Market Research Society of India (MRSI), is used by most media researchers and brand managers to understand the Indian consuming class. In urban households, SEC A1 include those with graduation/post graduate holding senior positions like CEO’s and Middle level managers and also those entrepreneurs having some college education and employs more than 10 staffs. SEC A2 includes executive class officers and businessmen with no employees and have completed at least twelve years of schooling. Secondary data was collected using published texts including reports of Chambers of Commerce, Government of India, various Rating Agencies, various business publications and reports made available by Fast Moving Consumer Goods companies. Parametric as well as non-parametric tests are used.

Products which have a quick turnover, and relatively low cost are known as Fast Moving Consumer Goods (FMCG). Examples of FMCG generally include a wide range of frequently purchased consumer products such as toiletries, soaps, cosmetics, tooth cleaning products, shaving products and detergents. By definition, FMCG addresses to a very core and inescapable need in the consumer’s life and so it is less prone to economic swings than high ticket items such as television or even apparel.
The Indian FMCG sector is the fourth largest in its economy and has a market size of US$13.1 billion. FMCG sector generates 5% of total factory employment in the country and is creating employment for three million people, especially in small towns and rural India. Well-established distribution networks, as well as intense competition between the organized and unorganized segments are the characteristics of this sector. FMCG sector in India has a strong and competitive MNC presence across the entire value chain. It has been predicted that the FMCG market will touch US$ 33.4 billion in 2015 from US $ billion 11.6 in 2003. The middle class and the rural segments of the Indian population are the most promising market for FMCG, and give brand makers the opportunity to convert them to branded products. Most of the product categories like jams, toothpaste, skin care products, shampoos, etc, in India, have low per capita consumption as well as low penetration level, but the potential for growth is huge.

For the purpose of this study we will define Fast Moving Consumer Goods as personal care products, home cleaning products and detergents only.

5.4 QUESTIONNAIRE DEVELOPMENT

A structured questionnaire (Refer Appendix A for questionnaire) was developed. The last section comprised of General questions related to demographics. To avoid any misrepresentation, the first question of this last section, which was about the name of respondent, was made optional. The demographic variables such as age, gender, education and household income are included in this section.

Questions were designed to understand Attitude of the respondents’, their views about their own responsibility towards environment. Respondents were asked whether they consider themselves capable of doing something good to improve the state of environment or whether they felt that it was the job of the government. The attitude of respondents about use of plastic was also asked. With the increased concern towards the environment, many companies are coming up with more and more goods with eco information, but whether the consumers believe in such information.

There are questionnaire which deal with the behavioural information of the respondents. Here the consumers were asked various questions about their purchase and conservation behaviour.
The purchasing habits like products with re-usable packaging, carrying own bags to supermarkets, reading labels for environmental information about the product, using biodegradable soaps, detergents etc. buying less polluting or recyclable products, were asked. Consumer’s willingness to pay a little more for eco friendly product was also judged.

Certain questionnaire were devoted towards consumer’s perception about adoption of green lifestyle, they were asked whether they see eco friendly lifestyle to be very expensive or time consuming or they are just ignorant about it. Respondents were also asked to answer the question regarding the eco-friendly products promoted by Indian companies, and how they view advertisements of eco-friendly products. At the end, respondents were invited to give suggestions to improve the natural environment was included for the better understanding of the subject.

5.5 THE SYSTEMATIC APPROACH TO QUESTIONNAIRE DEVELOPMENT

5.5.1 Independent Variables

The independent variables employed in the analysis are all related to individual’s demographics. Questions related to age group, gender, household income level and qualification were asked. To avoid any kind of biasness, the first question about name of the respondent was kept optional. Close ended options are given to most of the questions for convenience.

5.5.2 Dependent Variable

The environmental consciousness of the consumer was judged as a combination of attitude, knowledge, behaviour and perceived barriers in adaptation of green lifestyle. Therefore measures encapsulating all four dimensions were included as independent variables using five point Likert scales (1: Strongly Disagree to 5: Strongly agree) which include: (a.) A knowledge scale, measuring the respondent’s self perception of knowledge; (b.) An attitudinal scale consisting statements aimed at capturing the respondent’s concern about the environmental protection (c). Purchasing and conserving habits about ecology was judged with purchasing behaviour scale. These two types of behaviours are also taken as dependent variables on attitude as well.
The draft questionnaire was pilot tested with 50 selected consumers based on the observations made by respondents in the pilot study; modifications were made in the questionnaire. A revised questionnaire was administered to a sample of 750 respondents. After repeated follow ups only 600 questionnaires could be received, out of which some questionnaires were rejected on account of incompletion. Finally 500 completed questionnaires were selected for the present study.

Though, the sample comprises people belonging to different socio demographic groups, it is somewhat skewed towards salaried class persons.

5.6 RELIABILITY

According to Bryman and Bell (2011, p. 158) reliability is “the consistency of a measure of a concept”, it is linked to the stability of the data. The aim of the reliability as quality criteria is to minimize errors and give stable results of the data collection. In our data analysis reliability was calculated by using the statistical methods such as the Cronbach’s alpha as multiple item measures were used.