Chapter 6

Conclusion
Issues related to environment such as climate change, global warming and depletion of the natural resources are now considered as a threat to the existence of the life on the planet. The natural resources are being exploited beyond the capacity of their regeneration. Ozone is depleting at rapid pace causing the ultraviolet radiation to penetrate the earth’s atmosphere resulting in the increase of skin related diseases and global warming. Due to the exploitation of the environment beyond their regenerative capacity, global warming has emerged as one of the most important issue towards the protection of the environment. The earth’s temperature is rising every year owing to speedy depletion of natural resources and global warming. Because of these environmental concerns, environmentalism has emerged as an important global phenomena in the last decade. There is a growing concern worldwide toward the deterioration of the natural environment and organizations along with the governments have come forward towards the protection of the natural environment. In India, the major environmental issues identified were air pollution, water pollution, increase in atmospheric temperature, river pollution, shortage of water in majority of the areas, shifts in the seasons, land deterioration and many more. To take care of this situation of global issues related to the environment, the world has come forward towards the protection of environment and have given a new term “Green Marketing”. It refers to the practices employed by the firm as well as the consumers in the manufacturing, communication, transportation and consumption of product in such a manner that it impact the natural environment in minimal detrimental way. It also includes various practices which reduces the emission in the environment and work towards the reinstatement of the natural environment. Not only the consumers’ shift in the consumption pattern is identified, but the organizations also have identified the need to come with the green products towards environment protection. The research was undertaken to identify the issues and challenges faced by the organizations in terms of green marketing along with the identification of the opportunities available to the firms to market and position their green product offering.

The first objective of the research was to identify the challenges and opportunities in green marketing with respect to consumer durable goods in India. This objective was fulfilled with the help of review of literature. The review of literature revealed various issues and challenges with respect to green marketing. It was claimed that green policies and green marketing provides benefits to the organizations only in the long term but
from organizations point of view, it does not seems to be lucrative. It includes huge investment in terms of green technology, procurement of green raw materials, green communications and are believed to be expensive in nature. Organizations need to extensively communicate the presence and benefits of green products to the consumers through various tools of marketing communications as the theme and message of green advertising is different from that of traditional advertising. This high cost of initial investment in green technology and green communications ends up with high cost of the green products due to which the product acceptability is found to be low.

Another issue found in the review of literature is that due to insufficient communication about the eco-friendly measures taken by the governments and the organizations, the measures used were found to have been limited to papers only. Due to this, the presence of ECOMARK (which is into existence since two decades), only a few organizations have secured ECOMARK license from Bureau of Indian Standards. Government may initiate marketing campaigns by communicating the presence of ECOMARK, making the consumers aware about green certification. This may increase the consumers’ level of awareness and they can become more educated about the usage and benefit of green products and may look for the ECOMARK certification while purchasing the products. Government should also improve the reforms to increase the awareness of the ECOMARK certification amongst the organizations manufacturing green products. By exercising strict reforms, ECOMARK can become a visible differentiator between the traditional and green products which will help the consumers to make informed decision while purchasing green products.

However, one of the opportunity identified was that by employing green strategy by the organizations which calls for focusing on the improvement of environmental performance, it is believed that it will help organizations in spoils and wastage, ultimately reducing the cost of being green and economies of scale can be achieved. Hence the cost factor can be taken care of by the organizations by focusing on improvement in their environmental performances. By developing green core competencies, firms can perform well in aspect of green innovation and favors positively in building the green image of the organizations.

Another issued identified was the confusion in the mind of the consumers due to use of words such as “environment friendly”, “recyclable”, and “bio-degradable”, which are
very frequently used with the green products, results in mistrust amongst the consumers. Consumer is confused in taking purchase decision related to environment protection as it is difficult to judge the process used to manufacture the green product. Customer may not believe in the firms’ strategy of green marketing which requires that firms to ensure that they convince the consumers about their green products. The reason for this is that the communication regarding green initiatives taken by the organizations may be considered as misleading and consumers become skeptic about these green claims/communications made by the organizations. At the same time, consumers are unlikely to compromise the usage of traditional products’ (which they are using since long time) attributes such as convenience to purchase, availability of the product, price of the product, quality and the performance of the product. This can be taken care by employing eco-labeling schemes. Green branding by employing eco-labeling schemes are found to have positive influence on the consumers’ attitude towards the brand. Eco-labeling schemes are considered to be of high relevance and it may help the consumers to make informed decisions with the help of the information provided no the eco-labels given on the product.

Consumers also tend to loose trust in the green products as claimed by the organizations due to green washing. In this case, firms finds no motivation to manufacture green products. Green washing not only affects the organizations who are not able to substantiate their green claims of the products, but it also encourage the customers to view the true green communication as misleading. There is a potential threat that consumers mistrust genuine claims of organizations promoting green products and practices. This can be taken care by the government agencies by exercising strict policy decisions regarding green product certification and making the consumers aware about the availability of such certification which will help the consumers to differentiate the organizations’ false claim of being green. At the same time, organizations should employ proper communication towards educating consumers regarding the benefits of green products and the organization’s commitment towards the environment protection. This may lead to motivate the consumers about the green claims made by the organizations and may result in the purchase of green products.

Consumers are not willing to pay premium price for the green product which affects the sales of the organization and it may employ unfair practices to cut cost for sustaining in the competition. The firms need to strive hard to address the four Ps of marketing in
innovative ways. Another challenge identified by marketers is the lack of consensus as what can be termed as green as it lack the standards for any product or practice to be termed as green.

However, in spite of these issues and challenges faced by the organizations, green marketing continues to gain popularity, particularly in the light of growing global concern about the climate change and its impact on the natural environment. Firms have shown strong commitments to reduce adverse climate impacts of their products and services. Organizations have shown increasing concern towards environment deterioration and due to this, management of green product development has become a point of focus for the organizations.

The second objective calls upon the analysis of the strategies adapted and practices by consumer durable companies in India and their influence on consumer purchase behavior towards green products. It was identified that various consumer durable goods manufacturing organizations make use of eco-labels and eco-branding in their communication to make the consumer aware about the presence and benefits of the green consumer durable product. Organizations are now responding and coming up with green products and processes due to increase in the environmental concerns raised by the consumers in the last decade. Marketers are now exploiting green markets in an opportunistic way. Owing to global warming and various environmental concerns identified in recent decades, many of the organization have now adapted the green practices in manufacturing as well as in promoting and distribution of their products. Organizations have come forward towards the protection of the environment and have shown concern towards various environmental concerns and are now promoting themselves as green organizations.

Many consumer durable companies are now marketing their products with Energy Star Label stating that their use will reduce the energy consumption and consumers can save a lot of money on electricity consumption over a period of time. Philips is marketing its Compact Fluorescent Light (CFL) as “Marathon”, highlighting its new “super long life” and energy efficiency which add to its credibility and the product easily got accepted in the market.

Organizations are marketing their products with the help of green messages and themes and also additional incentives to the buyers to exchange their old products with latest
green and environmentally friendly products. Firms are making use of advertisements which try to persuade the consumers to adopt green lifestyle by purchasing of green products over traditional products and contribute in development of greener planet.

Many organization have started offering more eco-friendly alternatives for their consumers such as recycled products and persuade consumers to buy these recycled products towards protection of environment. Firms are now focusing on not to use plastic bags for the delivery of products, instead these firms have started using carry bags made up of jute or recycled materials. Many organizations have limited the usage of harmful glue adhesives towards environment protection.

Organizations are promoting green products with the aim to save energy resulting in the upgradation of natural resources. Many organizations have now started supporting the environment protection programs and are sponsoring these type of programs and communicating it to the consumers for wider acceptance in the consumers’ mind.

Firms have started taking green certification from various government agencies, which showcase their commitment towards environment protection and also helps to build green image in the mind of the consumers. However, the green product certification in India is found to be adapted by only a few organizations and it requires lot of efforts to encourage other organizations to adapt the green certification of their product offerings.

Various communication tools are used by the organizations to promote green products and it was found that the nature of green advertisement along with the message and content lead to the green consumption by the consumers. World has witnessed the growing numbers of eco-labels and it was found to have positive impact on the consumers’ purchase behavior in positive manner as it is believed to grab good attention by the consumers. Green advertising adapted by the organization received good attention by the consumers and influence the consumer positively towards the purchase of green products.

To fulfill the third objective of the research, i.e. to identify the underlying dimensions that influences the customer persuasion to buy green products, factor analysis, both EFA and CFA along with Structural Equation Modeling was employed. Seven factor scale was developed which helps to measure the green consumer behavior, which was termed as Green Consumer Behavior Scale. The factors identified were named as
“Preference Towards Green Products”, “Purchase Intention”, “Pro-Environment Action”, “Learning and Experience”, “Perception of Green Products and Practices”, “Environmental Concern”, and “Knowledge and Awareness”. When these factors were tested to identify the relationship with the purchase intention, it was found that six factors, viz., “Preferences Towards Green Products”, Pro-Environment Action Taken by Consumers”, “Learning and Experience of Consumers”, “Perception of Consumers towards Green Products and Practices”, “Environmental Concern of Consumers”, and “Knowledge and Awareness possessed by consumers”, plays vital role in the shaping the “Purchase Intention” of the consumers towards green products. It was concluded with the CFA along with AMOS, that “Preference towards Green Products”, “Pro-Environment Action taken by consumers”, “Learning and Experience” and “Environmental Concern shown by consumers” significantly affect the “Purchase Intention” of consumers towards green products.

Finally to fulfil the fourth and last objective, i.e. to understand the consumer behavior in terms of awareness level, green values, brand identification and preference towards green products, it was found that the level of awareness of the consumers towards green products as well as brand preference were found to be high. The overall green values of the consumers were also found to be high indicating consumers’ readiness towards acceptance and purchase of green products. Preference towards green product was also found to have significant impact on consumers purchase intention.

This research gained an understanding of various factors that may affect the consumers purchase behavior towards the green products. One of the additional outcome of the study is the development of Scale which measures the green consumer behavior. The scale was tested with confirmatory factor analysis and further norms are being developed. This scale is named as Green Consumer Behavior Scale (GCBS) and it attempts to measure the purchase intention (behavior) of the consumers towards the green products.

This GCBS can be used to assess an individual’s purchase behavior towards the green products. Marketers may be interested in a scale that measures the green behavior of consumers including the purchase intention. The consumers showing green behavior may act against the products that are not environment friendly. These consumers may also found to be willing to educate other consumers to make use of green products and
willing to make sacrifices in their purchasing. Marketers have felt the need to identify such consumers so that they can target certain markets more effectively for their products. They can get a fair idea about the market segment and the percentage of consumers who are more concerned about the protection of environment and divert their purchase towards green products.

Marketers can make use of such information in evaluating the purchase behavior of the consumers of the area and can come with the launch of green products and marketing campaigns for the green products which may lead to the increased sale, depending on the score of individuals on Green Consumer Behavior Scale, in case found to be high. Marketing practitioners can make use of the measurement scale developed in this research and it may serve as a useful tool for the marketing planners to devise their strategy to make the green products available in suitable markets. This scale can be used to determine the level of concern and the green values of the consumers. This information can be potentially used by the marketers to identify the sites for production facilities. It will also help the marketers to determine whether the green advertisement campaigns with green positioning can be used or not, in a particular area, depending on the score of the people residing there. The scale developed in this research may serve a useful tool for the marketers and the corporate planners to devise their strategies according to the demands of the consumers for the green products, owing to the increased concern towards protection of environment.

The findings also suggest that awareness, knowledge, preference, purchase intention, learning and experience, environmental concern, pro-environment action and perception of the consumers constitutes green consumer behavior and plays a vital role in the purchase of the green products. Consumers scoring high on these dimensions are more likely to purchase green products as compared to the consumers who score low on these above mentioned dimensions. Further to explore the dimensions at a larger scale, the research can be escalated to larger samples and geographies, which may lead to incorporation of unknown factors in the scale.

6.1 Limitations and Scope for Future Studies:
This study focusses on purchase intention. However, for future research, past experience, effect of psychological factors on actual purchase, and the consumers’ actual involvement in environmental activities/campaigns, their actual green purchase
and satisfaction derived out of green products’ purchase along with the trust developed on the green brands can be incorporated. Further to explore other dimensions, the further expansion of current research can be undertaken, which may lead to incorporation of unknown factors in the scale.

This study had been confined to the factors which may affect the purchase intention of consumers towards green consumer durable products. However, there exists various green activities such as recycling of products, green campaigns, reuse of the products and actual green consumption. Therefore, it is recommended that in future studies, the researcher may investigate the involvement of consumers in the mentioned green activities which may help to examine green behavior of the consumers and further generalizations may be made.

This study has taken into account the purchase intention of consumers towards green products from consumer durable industry to get more focused results, so the results of the study might not be applicable to other industry or sector. If the products from other industry are considered in further research, the results may vary. It is recommended that the proposed model from the current study can be tested for other industries’ products in future studies which may lead to more generalized results and implications.

The data in this study was collected from six cities of India. As India has diversity in culture and socio-economic factors as compared to other countries, further studies with examination of more diverse culture of other countries can be undertaken for enhancement of generalizability of the findings.

Finally, the responses were collected from the respondent by asking them to respond based on their recent purchase of consumer durable goods. This method allowed us to collect the required number of responses. However, memory lapses due to omission, telescoping or creation of the purchase might have produced biased responses.