CHAPTER 1

INTRODUCTION

The earth’s ecosystem and the natural environment are no longer concerns of a select few green enthusiasts. Environmental issues like climate change, global warming and depleting natural resources threaten the existence of life on the planet (Root et al 2003). Governments and organisations worldwide are making proactive efforts to address these issues (Mermod & Dömbekci 2011) and concomitantly there is tremendous academic interest around these issues (Chabowski et al 2011).

Marketing is one of the few academic disciplines that has integrated environmental issues into its literature. “Green or Environmental Marketing consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occur with minimal detrimental impact on the natural environment” (Polonsky 1994). It is the facet of marketing that deals with the relationship between marketing and the natural environment. Hence, green marketing refers to the impact of marketing activities on the environment and the significance of the environment variable in corporate marketing decisions (Chamorro et al 2009). Green marketing has also played an integral part in promoting corporate social responsibility (CSR) activities (Dahlsrud 2008). Firms therefore choose to establish their commitment to the well being of the environment by exposing their customers and other stakeholders to various green marketing claims (Gallego-Álvarez et al 2010). In fact, marketing
function is one of the key components in communicating green efforts to the stakeholders of an organization (Cronin et al 2011).

Information provision about ‘greenness’ is an important part of green marketing (Prakash 2002). Firms typically communicate their CSR activities through marketing communication and advertising. However communications regarding green initiatives are typically viewed as misleading and are not trusted by consumers (Carlson et al 1993). Hence green marketing and advertising has been met with scepticism by various stakeholders over the years. The indiscriminate use of ambiguous and vague claims such as “recyclable”, “environmentally friendly” and “biodegradable” has been the source of confusion and mistrust among consumers (Saha & Darnton 2005). Firms engaging in green marketing subsequently face a consumer backlash when they are not able to substantiate their claims (Crane 2000). The use of unsubstantiated and potentially misleading green environmental claims is referred to as “greenwashing” (Carlson et al 1993). The usage of such claims is not permitted in countries where environmental claims in advertising are examined by regulatory bodies.

While awareness among stakeholders deters firms from using misleading marketing claims i.e. greenwashing, they correspondingly discourage organisations from pursuing environmental strategies. When consumers begin to “discount” all environmental marketing claims, firms no longer find a motive to make environmentally helpful products (Furlow 2010). Repeated greenwashing accusations also increase the likelihood of honest and persuasive green communication being viewed as misleading (Koslow 2000). Lack of formal regulation is the key driver of ‘greenwashing’ in developing countries (Delmas & Burbano 2011). Stringent regulation in the U.K was cited as one of the major reasons for a lesser incidence of
greenwashed claims vis-à-vis U.S (Baum 2012). Currently, there are no regulations regarding the usage of environmental claims in India.

A developing country is more focused on economic developments rather than environmental deterioration. Therefore, governmental initiatives are needed to encourage the growing environmental responsiveness from business communities (Sandhu et al 2012) by facilitating and rewarding such initiatives. This is easier said than done because corruption and industry lobbying impede the formulation of environmental legislation in most developing countries including India (Badami 2005). The onus therefore falls on the companies themselves and the Advertising Standards Council of India (ASCI) - the self-regulatory body in India to create a positive environment for the use of environmental claims.

Green marketing studies are in the nascent stage in India (Nair & Menon 2008). Previous research regarding green consumer behaviour has also produced mixed results indicating that, while green awareness is low among Indian consumers, they do exhibit a high degree of environmental concern (Bhate 2002; Goswami 2008; Saxena & Khandelwal 2012). It is found that they are receptive to green marketing in recent times (Jain & Kaur 2006). Low awareness regarding environmental issues is a common feature in most developing countries (Gallastegui 2002; Rashid 2009). Although Indian consumers are concerned about the environment (Bhate 2002), their awareness of environmental issues is low (Mehta 2007). Hence, consumers should be educated to overcome this barrier.

It should also be noted that India is currently facing numerous environmental problems like rising air pollution (Smith 2002), loss of food security due to climate change (Auffhammer et al 2012), burgeoning e-waste (Widmer et al 2005) and increasing health hazards caused by the effect of urban poverty on the environment (McMichael 2000). Environmental changes
are also causing unprecedented harm to the health and future of Indians (http://www.downtoearth.org.in/content/air-pollution-group-1-carcinogen-says-who-agency).

Green marketing is thus an imperative, rather than an option in the face of such rising environmental problems (Polonsky 2011). Increasing levels of consumption is causing a devastating effect on the natural environment and marketing can no longer afford to ignore this resource (Kotler 2011). Encouraging the consumer to make pro-environmental choices is a huge challenge as most environmental problems are “tragedy of the common” dilemmas where individuals are basically motivated by self-interests rather than the common welfare (Hardin 1968). Green advertising is one of the tools of green marketing that is used by organizations to increase green consumerism. It is defined as the type of advertising that highlights the environmental friendliness of the product with the use of attributes like degradability and recyclability (Manrai et al 1997). Green advertising is essential in encouraging green purchase behaviour. Changing purchasing behaviour has a more profound and positive impact on the environment when compared to other pro-environmental activities like refusing plastic bags (Vlek & Steg 2007).

Most green marketing studies target the environmentally concerned consumer as enduring involvement with the environment increases purchase intentions (Petty & Cacioppo 1984). Yet, this becomes a narrow outlook in the context of widespread environmental problems and targeting only a specific set of consumers will not bring about the necessary change. Ginsberg & Bloom (2004) look at this as “green marketing myopia” as green marketing caters only to a certain group of consumers. Rex & Baumann (2007) also echo this view and feel that green marketing should match the aspirations and needs of the consumer rather than focusing only on the green niche. Another
factor that supports the need or looking beyond involvement with the environment is the fact that environmental concern does not seem to have a significant effect on green product purchase intentions (Newell et al 1998; Pickett-Baker & Ozaki 2008; Thøgersen et al 2012).

In the face of growing environmental problems, can green advertisements be effective with consumers who do not rate environmental concern as an important factor? Can environmentally-sensitive companies use green advertisements to garner consumer attention and elicit positive purchase responses despite low consumer awareness about environmental issues? Answering these two questions is extremely relevant today and forms the major foundation of this study.

This study proposes that increasing consumers’ involvement with the advertising message will persuade them to consider green product purchases irrespective of their involvement with the environment. While most green advertising studies target the environmentally concerned consumer, this study takes a new approach to target all consumers irrespective of their levels of environmental concern. To achieve this goal, Protection Motivation Theory (PMT) from the health communication domain and the Elaboration Likelihood Model (ELM) from persuasion literature are incorporated. PMT (Protection Motivation Theory) provides a framework for the creation of cognitive threats and is commonly used in health behaviour intervention studies (Maddux & Rogers 1983; Floyd et al 2000). The Elaboration Likelihood Model (ELM) states that high involvement creates more effortful processing of message and consequently makes the message more persuasive (Petty & Cacioppo 1986). The PMT framework is used in this research to create cognitive health threats that heighten message involvement.
This research integrates these theories from health psychology and persuasion to improve consumer attitudes towards green advertisements and thereby increase their purchase intention towards green products.

1.1 DOCUMENT ORGANIZATION

The remainder of this report is organized as follows. Chapter 2 provides a review of extant research related to the topic of research. The chapter highlights the research gaps and also discusses the need for this research based on the review.

Chapter 3 provides a detailed discussion of the research methods employed in the study. It provides the details regarding sample selection, data collection and data analysis procedures. This study follows a multi method approach and uses both qualitative and quantitative techniques.

Chapter 4 describes the qualitative studies and the associated results. Chapter 5 elaborates on the research model and the hypotheses proposed based on the model. The rationale for the development of hypotheses is also discussed in this chapter.

Chapter 6 provides exhaustive details about the experiments and the results of the experiments. The discussion of the results is also presented in this chapter. Chapter 7 provides a discussion of the key findings, implications for research and practice, limitations and directions for future research.