

The Impact of Green Marketing Practices on Consumer Buying Decision

Mr. Nilesh Ratnoday¹, Ms. NaiyaRana²

¹Teaching Associate at State Institute of Hotel Management, Indore.

²Research Scholar at LPU, Jalandhar, Punjab.

Abstract

Green Marketing becomes the new trend orientation of companies in the world, especially in the developed countries, where it represents one of the new faces of modern marketing. Concept of green marketing concerns with protection of ecological environment. Modern marketing has created a lot of problems. Growth in marketing activities resulted into rapid economic growth, mass production with the use of advanced technology, comfortable and luxurious life, style, severe competition, use of unhealthy marketing tactics and techniques to attract customers, exaggeration in advertising, liberalization and globalization, creation of multinational companies, retailing and distribution by giant MNCs, etc., created many problems. Green Marketing is also known as environmental marketing or sustainable marketing. It refers to all activities that facilitate any exchange intended to satisfy human needs and wants in such a way that the satisfaction of the said needs and wants occurs with the minimum detrimental impact on the natural environment. As Human desire and its nature extends beyond are limitless, which has given spike increase and have been augmented the interest among customer worldwide concerning protection of environment. Growing concern towards ecological imbalance has provided greater environmental attention towards choice of customer handpicking products and there is a need of paradigm shift within this manner have resulted business corporation to rethink on their societal concern and their function in reaching sustainable improvement with green products being marketed as a self-sustained marketing eco-products is a brand new concept is catching up business eco-requirements. In this paper, several approaches of green marketing which helps protecting the environment are described and discussed. Its other aspects like profitability, cost effectiveness, etc. are also discussed.

Keywords: Green Marketing, environment, growth, business.

Research Objectives

1. To study the influence of color, quality and post use fate on customers buying habit, for

green hotels.

2. To study the effects of green marketing on customers attitude when choosing eco-friendly hotels.
3. To study the influence of green marketing practices on customer's perception on Hotel's attitude.

Introduction

The green product evolution is not recent but has been around since at least the first Earth Day, 1970. But the concept was never well accepted by then consumers until the 1980s when sudden consumers became more inclined towards a healthier and more original product with natural ingredients (Reddy and Reddy 2017). The American Marketing Association (AMA), however, described it as a valuable preliminary point for sustainable marketing, and it became crucial to describe inexperienced marketing data. Though available goods have been branded as environmentally friendly claiming to be recyclable, compostable and energy efficient, it comprises of various other difficulties of its own. (Thevanes and Weerasinghe 2019)

Nowadays, businesses in any field have understood that they cannot carry on without being sensitive towards environmental problems. Accordingly, businesses have to take into consideration environmental issues while they prepare their strategies and long-term plans because, in any market, environmental awareness provides a competitive advantage yet (Fixmer 2002). In that point, green marketing concept has occurred in both industry and service industries and with the help of support and pressure of consumers, stakeholders and government, businesses enter into the new process. In this study, green marketing concept has examined theoretically.

Green marketing involves companies promoting their products or services in a way that showcases their eco-friendliness. (Kardos, Gabor, and Cristache 2019)

- Alternate name: Eco-marketing, environmental marketing

When a company showcases its eco-friendliness that may include products:

- Manufactured in a sustainable fashion
- Not containing toxic materials or ozone-depleting substances
- Produced from recycled materials or able to be recycled
- Made from renewable materials
- Not making use of excessive packaging
- Designed to be repairable and not thrown away

Green marketing is typically practiced by companies that are committed to sustainable development and corporate social responsibility. More organizations are making an effort to implement sustainable business practices. They recognize they can make their products more attractive to consumers, while also reducing expenses in packaging, transportation, energy and water usage, and more.

➤ **Concept of Green Marketing**

While many companies claim to practice sustainability, they do not utilize green marketing. This form of marketing requires your products to be eco-friendly or advertise in an eco-friendly way. Therefore, your marketing campaign should highlight the sustainable aspects of the products or services. However, to be able to practice green marketing, your products should be free from toxins, reusable, and recyclable. The production methods should also adhere to eco-friendly guidelines. The packaging and non-green aspects of your company should use resources conservatively. If the company can realign its objectives towards sustainability, then green marketing will be part of the brand and not a means to gain customers.(Hasan and Ali 2015)

Green marketing begins with a company actually implementing and practicing sustainable business methods. Companies risk being labeled as dishonest if their business practices don't match their green marketing messages, so they must ensure they're practicing what they're preaching. Authenticity is essential in green marketing.(Durmaz and Yaşar 2016)

Companies generally have three angles of marketing their eco-friendliness:

- The items used to make their products
- The actual products
- The packaging the products are sold in

➤ **Benefits of Green Marketing**

Green marketing helps in growth of the business in a different way and if adopted effectively it might provide various benefits.

- a. Improves credibility
- b. An opportunity to enter a new market
- c. Long-term growth
- d. Offers a Competitive edge
- e. More room for innovation
- f. More profit
- g. Good for the environment

Characteristics of Green Products Green Products are those which are manufactured by using green technology and that also do not have any negative impact on the environment. Green products have following characteristics(Sundram 2021):-

- a. Products those are grown originally.
- b. Products those are recyclable and reusable.
- c. Products with natural ingredients.
- d. Products which are having recycled contents and non-toxic chemical elements.
- e. Product content under approved chemical.

- f. Product that do not harm or pollute environment.
- g. Products that will not be tested on animals.
- h. Products that have eco-friendly packaging

➤ **Challenges and Problems of Green Marketing**

With several benefits, there are also several challenges and problem occurring in green marketing.

- a. Need for standardization
- b. New concept
- c. Patience and Perseverance
- d. Some other Challenges

In addition, few more problems are mentioned below:

- a. Green products require renewable and recyclable material which is costly.
- b. Requires a technology, which requires huge investment in R and D.
- c. Water treatment technology is too costly.
- d. Majority of the people are not aware of green products and their uses.
- e. Majority of the people are not willing to pay a premium for green products

Key impact of Green Products(Chopra 2016):

- a. Consumers have been asking for green products, i.e. there has been a clear raise in demand for such products.
- b. Business have looked into the green process- Generating corporate environmental profiles, monitoring and evaluating green performance, and improving corporate image as a result.
- c. Green products have also increased competition among business to generate more environmentally friendly products. Eco labelling networks that monitor and evaluate green products have been developed in many countries. These networks have done life analysis to understand the impact of products
- d. Government has also taken several measures that have supported and facilitated such moves by business.

Literature Reviews

(Sarkar 2012)In the modern era of globalization, it has become a challenge to keep the customers as well as consumers in fold and even keep our natural environment safe and that is the biggest need of the time. Consumers are also aware of the environmental issues like; global warming and the impact of environmental pollution. Green marketing is a phenomenon which has developed particular important in the modern market and has emerged as an important concept in India as in other parts of the developing and developed world, and is seen as an important strategy of facilitating sustainable development. In this research paper, main emphasis has been made of

concept, need and importance of green marketing. Data has to be collected from multiple sources of evidence, in addition to books, journals, websites, and newspapers. It explores the main issues in adoption of green marketing practices. The paper describes the current Scenario of Indian market and explores the challenges and opportunities businesses have with green marketing. Why companies are adopting it and future of green marketing and concludes that green marketing is something that will continuously grow in both practice and demand.

(M. Sharma and Singh 2015) Green marketing is a phenomenon which has developed particular important in the modern market. It is a vital constituent of the holistic marketing concept today. It is particularly applicable to those businesses that are directly dependent on the physical environment. Consequently new types of products were created, called "green" products, which would cause less damage to the environment. Thus green marketing plays an important role to promote the idea of environmental protection and sustainable development both in the minds of the customer and the marketers. This paper will attempt to introduce the concept of green marketing; examine some reasons that make the organizations interested to adopt green marketing philosophy. This paper also makes an assessment of the strategies of green marketing and challenges of green marketing. Through this paper, the researcher also intended to draw the attention of modern customer and marketers towards Green Products.

(Kumara 2017) Have you ever heard of the three R's of environment viz. Reduce, Reuse, and Recycle which are important to supports green marketing. Green marketing is used for environment friendly products that are considered to be green like low power consuming electrical appliances, organic foods, lead free paints, recyclable paper, and phosphate free detergents. Companies are finding that consumers are willing to pay more for a green product. Green marketing in a broader sense is corporate social responsibility because it helps business to become a socially responsible as well. In different research conducted in India High level of awareness about green marketing practices was found among the Indian consumers. However, this is not widespread and is still evolving. In this review based paper, main emphasis has been made of concept, need and importance of green marketing. Data has collected from secondary sources. It considers the main issues in adoption of green marketing practices. The paper explains the context of Indian market and explores the challenges with green marketing.

(Kumar and Ghodeswar 2015) The purpose of this paper is to report the findings of a systematic review of literature in green marketing domain and to propose directions for future research. Green marketing issues are delineated from literature extending marketing orientation and marketing mix frameworks. As society becomes more concerned with the natural environment, businesses modify their behaviour in an attempt to address society's concerns. Based on the literature review, the conceptual review and direction for future research have been delineated and discussed. The paper concludes with the evidences of integration between sustainability and marketing in forms of corporate environmental actions and green marketing practices in businesses. The paper deals with the concept of 4-Ps and the green marketing practice as business response to the increasing environmental consciousness of consumers in the market.

The discussion highlights future research avenues and consequent implications for marketers of green products in designing their marketing strategies.

(Mohanraj and Karthikeyan 2016) Most of the companies are preferring into green marketing because of the following reasons: In India, around 25% of the consumers prefer Eco-friendly products, and around 28% may be considered healthy conscious. Therefore, green marketers have diverse and fairly sizeable segments to outfit. The Surf Excel detergent which saves waters (advertised with the message-“bucket water is enough”) and the energy-saving LG consumers durables are examples of green marketing. We also include green buildings which are capable in their use of energy, water and construction materials, and which reduce the contact on human health and the environment through better design, construction, operation, safeguarding and waste disposal. In India, the green building association, spearheaded by the Confederation of Indian industry (CII) -Godrej Green business Center, has gained wonderful impetus over the last few years. From 20,000 sqft in 2013, India's green building track is now over 25 million sq ft.

(Wandhe 2019) Marketers always try to recognize the new opportunities and threats constantly presented by the marketing environment and simultaneously they understand the importance of continuously monitoring and adapting to that environment. Today main challenge before marketers is to think creatively about how marketing can fulfill the needs of the most of the world's population for a better standard of living in the midst of sustainable development. To grasp the new emerging opportunities and to ensure better standard of living with sustainable development, the new concept-Green Marketing has emerged. Green marketing is a philosophy which primarily advocates sustainable development. Realizing the importance of people's concern for a healthy environment to live and preferring environmental friendly products and services to consume, marketers these days are trying to capitalize on the same to ensure sustainable development and using these concepts in developing their strategies. This paper attempts to introduce the terms and concept of green marketing. The paper tries to explain why green marketing is important in current situation. This paper tries to depict the basic problems associated with green marketing and suggests the required solutions. This paper also describes recent trends in green marketing, and how green marketing can be a means for sustainable development.

(M. K. Sharma, Pandey, and Sajid 2015) Green marketing is the marketing of products that are presumed to be environmentally safe. Green marketing incorporates a broad range of activities including product modification, changes in the production process, sustainable packaging as well as modifying advertising campaigns. The paper is an attempt to provide a platform to understand the awareness level, their perception, the parameters considered for buying the green products. We need to utilize the resources economically so that it does not cause any harm to the environment. Green marketing practices are required for existence of the human race. It may take a long time to accomplish this task but it will certainly be very profitable. The product, price, place and promotion are the key components which should be modified or some variance need to be offered in the marketing mix elements, so as to form reduced waste and improve energy

efficiency to encourage green marketing. In present scenario, there is a dire necessity to educate and create awareness among the consumers about the green environment. The responsibility lies with the corporate also as Corporate Social Responsibility, so as to make the youth aware about the environmental hazards. This may not happen immediately, but it will be a gradual process. Today the young consumers are more concerned about keeping the environment safe. They want to reduce the ill impact of usage of services and product that may harm the environment. This research paper aims to shed the light on the very much talked about topic, Green Marketing.

Research Methodology

The research being carried out here involves both qualitative and quantitative research. The study is based on a survey that involves filling of a questionnaire prepared on Likert scale. The questionnaire was prepared for the guest of five star and four star hotels (star as well as independent properties). Questionnaire is prepared based on Likert 5-point scale with 1 point for strongly disagree and 5 point for strongly disagree. The qualitative studies were carried out through online questionnaire. The area for the study was five star and four star hotels (both chain as well as Independent) of Indore, Madhya Pradesh. The hotels were selected based on sustainable practices carried out by them to offer more sustainable practices. The random sampling technique was used to collect the data. There was questionnaire which was prepared and data was collected through online mode.

Sample Population: Guests of five star and four star hotels (Star and Independent hotels)

Sampling Method: Random Sampling technique was used.

Universe: Indore, Madhya Pradesh was selected as a universe to collect data by the researcher.

Sample size: 100

Method Use to Classify Data

The data was collected using both by primary data collection methods as well as secondary sources.

Primary Data: Most of the information was gathered through primary source. The methods that were collected primary data are:

- Online Questionnaire (Questionnaire prepared for conducting study was attached in the final Project Report)

Secondary Data: The secondary data was collected through:

- Internet
- Official Reports on related matters.
- Books and Journals on issues, challenges & future of tourism in India.

LIMITATIONS

1. Small universe

The Universe for this study is too small therefore the findings may not truly represent the conditions in the entire industry.

2. Problem of Accessibility

It was very difficult in approaching the executives or the Guest as they would be busy, despite prior appointments; they were inaccessible at times being engaged elsewhere.

3. Constraints of time

The respondents due to non-availability of time could not discuss many aspects of the topic in depth.

4. Lack of Interest

Many respondents were just not interested in interacting as they considered it to be a waste of time, a no lucrative approach. This negative approach was quite impairing.

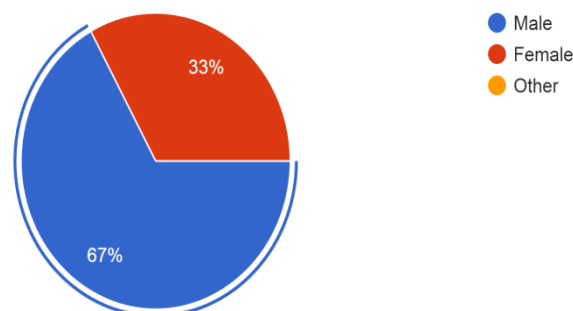
5. Covid-19 & Lockdown

Due to current ongoing situation in the country It was difficult to target more number of customers and to go and meet them face to face and conduct meetings.

Data Analysis & Findings

Classification & tabulation transforms the raw data was collected through questionnaire in to useful information by organizing and compiling the bits of data contained in each questionnaire i.e., observation and responses are converted in to understandable and orderly statistics are used to organize and analyze the data.

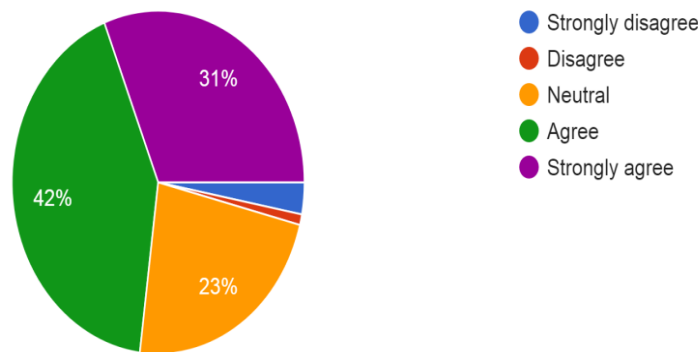
1. Gender



Analysis

In the above pie chart show that 67% of the respondents were Male and 33% of the respondents were female.

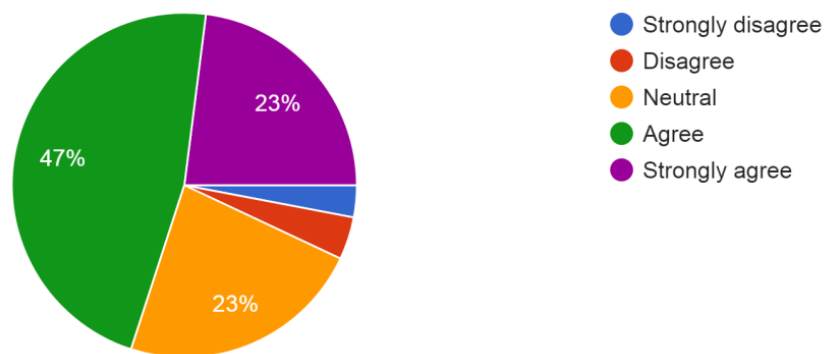
2. Are you aware hospitality companies are adopting Green colors to their logo to stand out as Eco Friendly companies? (Example MacDonald's, Lemon Tree Etc.)



Analysis

In the above pie chart show that 31% of the respondents highly agree with the statement that hospitality companies are adopting green color to their logo to stand out as an Eco-friendly companies. 42% of the respondents agree, 23% of the respondents neutral with the same, and 4% of the respondents disagree with the same.

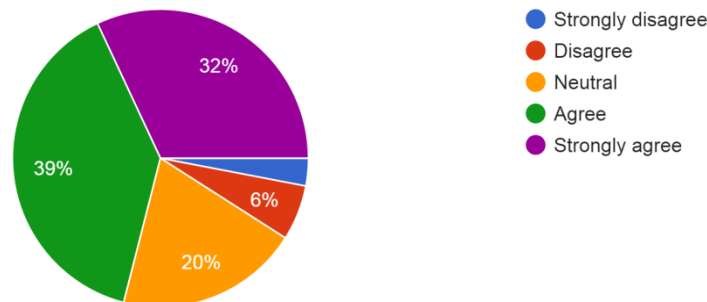
3. I realize when I am opting for Green Hotels over the other ones.



Analysis

In the above pie chart show that 23% of the respondents highly agree that they when opting for green hotels over other ones. 47% of the respondents agree, 23% of the respondents neutral with the same, and 7% respondents disagree with the above statement.

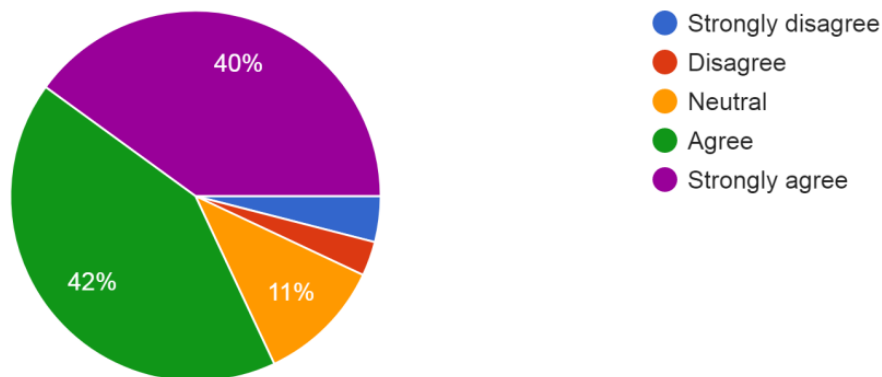
4. I consider Green Hotels provide higher quality services than regular ones with the exact same characteristics.



Analysis

In the above pie chart show that 32% of the respondents highly agree with the statement that green hotels provide higher quality services than regular ones with exact same characteristics. 39% of the respondents agree, 20% of the respondents neutral with the same, and 6% respondents disagree with the above statement.

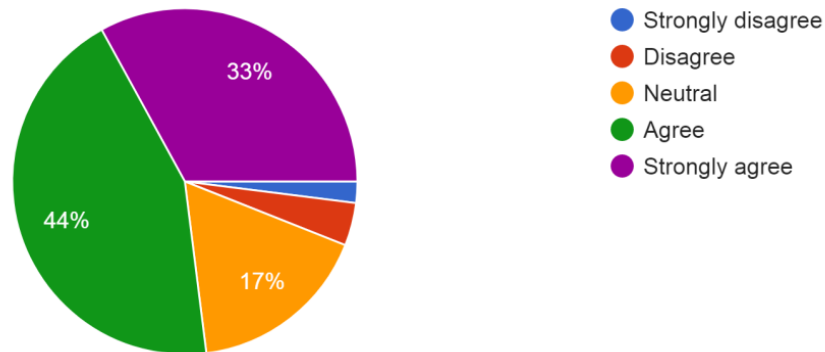
5. If I consider Green Hotels provide having higher quality service, will I choose them over the other ones



Analysis

In the above pie chart show that 40% of the respondents highly agree with the statement that if they consider green hotels provide higher quality service, they will choose them over other ones. 42% of the respondents agree, 11% of the respondents neutral with the same, and 7% of the respondents disagree with the above statement.

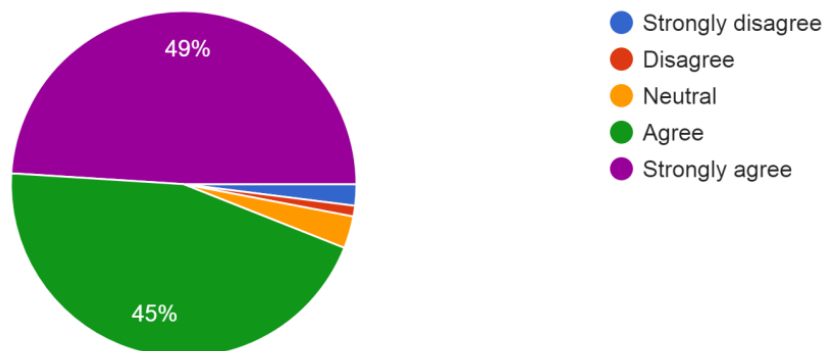
6. I think Green marketing practices affect positively my perception of the brand



Analysis

In the above pie chart show that 33% of the respondents highly agree with the statement that green marketing practices affect positively their perception of brand. 44% of the respondents agree, 17% of the respondents neutral with the same, and 6% of the respondents disagree with the above statement.

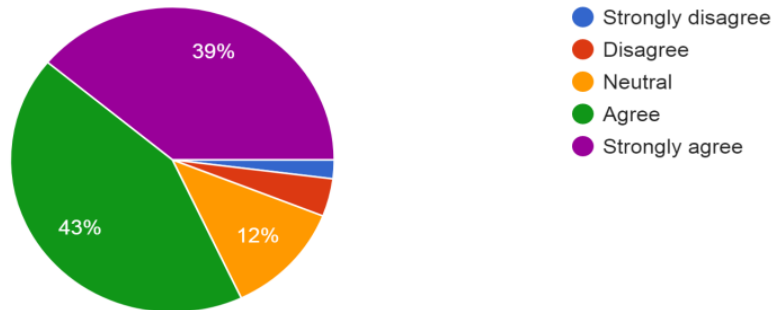
7. Knowing hotels are recycling, reusing and repairing their products after you see use it, Is it a reason for me to buy their product & remain loyal toward their hotel company



Analysis

In the above pie chart show that 49% of the respondents highly agree with the the statement that knowing hotels are reducing, reusing and recycling their products after they use it , it is the reason for them to buy their products and remain loyal towards their hotel company. 45% of the respondents agree, and 6% of the respondents were neutral to above statement provided.

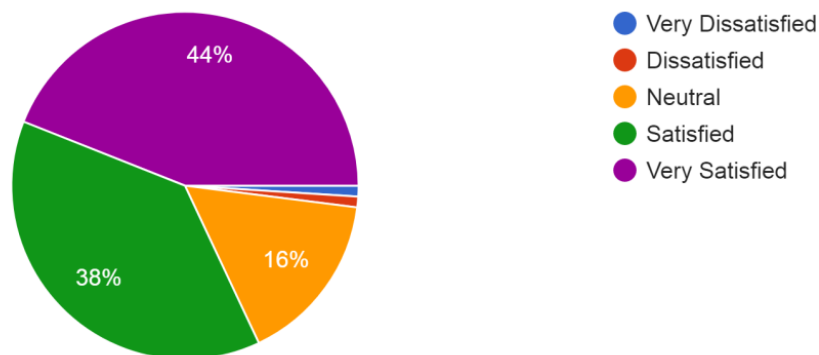
8. I remain loyal to hotel companies which practices are environmental friendly



Analysis

In the above pie chart show that 39% of the respondents highly agree with the above statement that they remain loyal to hotel companies whose practices are environmentally friendly. 43% of the respondents agree, 12% of the respondents neutral with the same, and 6% respondents disagree with the above statement.

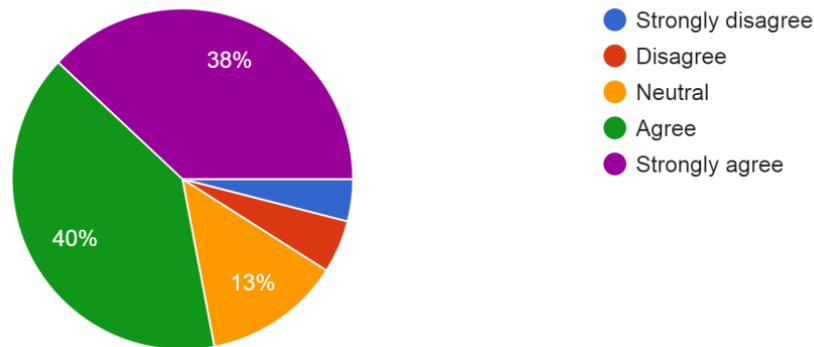
9. What is your level of satisfaction when choosing Green hotels?



Analysis

In the above pie chart show that 44% of the respondents are highly satisfied while choosing green hotels. 38% of the respondents are satisfied, 16% of the respondents neutral with the same, and 9% respondents highly dissatisfied with the above statement.

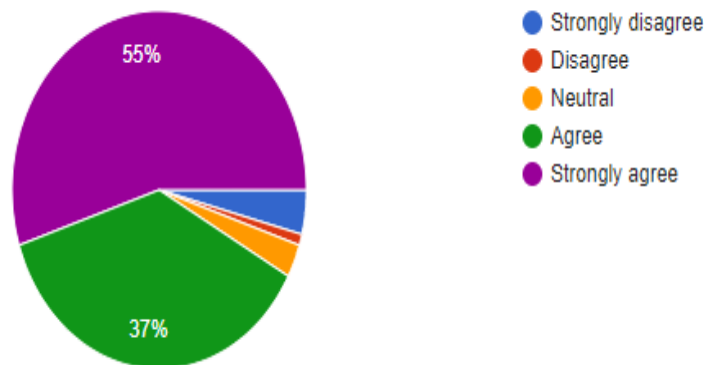
10. When I learn about the negative and harmful impacts a hotel has in environment I stop choosing them



Analysis

In the above pie chart show that 38% of the respondents highly agree with the statement that when they learn about the negative and harmful impact hotel has on the environment they stop choosing them over other ones. 40% of the respondents agree, 13% of the respondents neutral with the same, and 9% respondents highly disagree with the above statement.

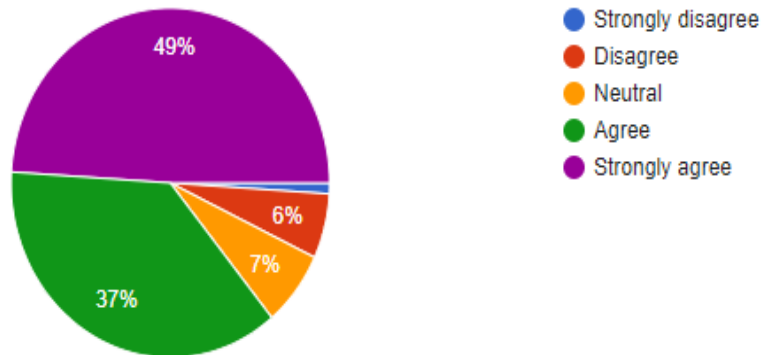
11. In case there is an alternative, I prefer hotels which cause less pollution



Analysis

In the above pie chart show that 55% of the respondents highly agree with the statement that in case there is an alternative they will prefer hotels which causes less pollution. 37% of the respondents agree, and 8% respondents disagree with the above statement.

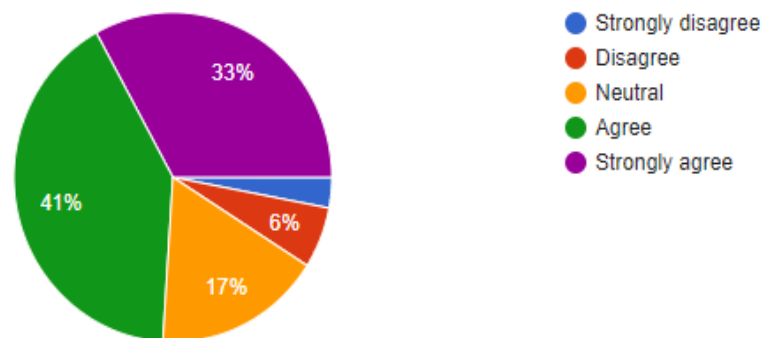
12. Choosing between 2 hotels, I always choose the 1 which has the minimum impact to people and environment



Analysis

In the above pie chart show that 49% of the respondents highly agree that they will always choose the hotel brand which has minimum impact to people and environment. 37% of the respondents agree, 7% of the respondents neutral with the same, and 6% respondents disagree with the above statement.

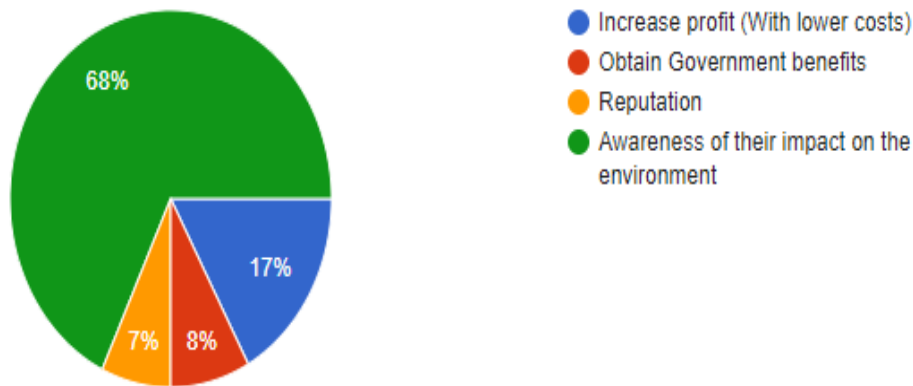
13. I change my preference for hotel when they do not comply with ecological conditions or rules



Analysis

In the above pie chart show that 33% of the respondents highly agree that they change their preference for hotel brands when they do not comply with ecological rules. 41% of the respondents agree, 17% of the respondents neutral with the same, and 6% respondents disagree with the above statement.

14. I think hotels are adopting Green approaches due to



Analysis

In the above pie chart show that 68% of the respondents believe that hotels are adopting green approaches due to awareness of their impact on the environment. 17% of them believe that this is to increase profit, 8% believe that this is to obtain government benefits, and 7% believe that this is for reputation.

Conclusion

The final purpose was to measure the impact of green hotels has on customers and they turn out to be attractive for them, whether or not if it has bigger influence on customers who are environmental concern. Firstly it can be concluded that customers are aware of color green being a color which represents the protection of environment, a brand which is environmentally friendly. Therefore hotels use green color to persuade customer's behavior and influence their perception of brand with the ultimate intention of making them choose their hotels.

As seen throughout the results, that color can boost customer's attraction for these hotel brands and develop a strategic position of these brands in customers mind. Hotels are focusing on customer's new trend of being more environmentally friendly. As a result customers who choose these hotels are more likely to feel satisfied and become loyal to these green hotel brands as they know that they will not harm the environment, protect the environment not only for them but for their future generation as well.

Summing up customers feel influenced by green marketing, as they are looking for the hotels which will have less impact on the environment. It is still there in the mind that hotels are adopting green practices for the awareness of their impact on the environment. These conclusions are helpful for the hotels which look further than profit and want to evolve their brand image and develop the potential by protecting the environment and being eco-friendly. It can improve customer's perception of company's intention when they become green.

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