

Study on the Influencing Factors of Purchase Decision of Green Products

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Abstract

In modern world people are concerned about the environment. Green products have a vital role in the protection of the environment as it does not make a negative impact to the nature. A company can increase its competitive position by providing green products. This study is conducted to know the attitude of people towards green products like solar power products, paper bags, handy craft items and clay products.

Key terms: Green Product, Green price, Green promotion, Green place

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I. INTRODUCTION .

Nowadays one of the major strategies adopted by companies to capture market is the marketing of green products. Green products are those items considered eco-friendly. This means that the manufacturer of the particular product took the proper steps in ensuring that the environment was not harmed during its manufacturing process. The raw materials used in the product were derived from sustainable sources. And the production should have a low impact on the environment regarding waste, carbon emissions and energy use

Competition is one of the major challenges that a business man wants to face in a modern world. Every industry is composed of many individual firms and each individual firm is providing similar goods and services. Naturally this situation makes a big chance for competition among these firms. So in order to become market leaders every business wants to adopt different strategies.

A green product provides a lot of advantages to us. Today people are giving more attention to protection of environment, as they are aware about the appearance of hole in the ozone layer, destruction of forest etc. Because of these factors green products get more attention in today's world. The term 'green' has nothing to do with color, but the choice of name is appropriate because green is a color that is often associated with nature. Green products are considered kinder to the environment than non-green goods, in one way or another. The term is widely used and it doesn't take much for a product to be called green, so it can cover a wide range of consumer goods. If a product contains any amount of recycled goods in its construction, it is also considered green for two reasons. That's because recycling reuses a material keeping it out of the landfill, as well as saves on the environment when alternative materials are not manufactured and used for that component. Note that green products are not the same as carbon zero or carbon neutral products which are in fact greener, though there may be similarities. Green can also apply to services or processes.

Green initiatives are undertaken in an effort to draw attention to the need to be kinder to our environment in everything we do. Green initiatives and green products are not the same, though there is somewhat of a relation. Though green policies and endeavours should be conducted on an ongoing basis, there is much emphasis in the spring when initiatives are often scheduled close to or on Earth Day every year. However, we really should be thinking green all the time.

The products that are manufactured through technology and that caused no environmental hazards are called green products. Promotion of green product is necessary for the conservation of natural resources. Green products like solar light, solar heater, handicraft items, paper bags and clay products have a good demand today. Solar light and solar heater make the use of solar energy. Solar power products are innovative mechanisms that help to conserve energy. Solar products are environment friendly and are usually cost effective also.

Plastic makes a lot of problems to world; especially plastic bags are bad for our environment. Low cost and easy availability leads to the promotion of plastic bags. In order to save our environment from the threat of plastic bags; an alternative is developed that is paper bags. Paper bags are degradable and it does not make any harm to the environment.

Handicraft items and clay products are also made by giving protection to environment as they are made from environment friendly materials.

▪ **Green product**

The wide variety of products available in the market should meet the environmental norms. The products with green characteristics automatically demand an extra premium. Thus, the manufacturer should take utmost care at the time of manufacturing the goods.

▪ **Green price**

Fixation of price is a critical and the most important factor in greenmarketing. When a product fetches green features, it is eco- friendly and naturally the product needs an extra premium from the users. Therefore apart from meeting the regular expenses incurred on the product, the consumers are prepared to meet the additional price for extra premium on the quality of the product.

Example; for energy saving bulb like CFL, the consumers need to pay more for CFL bulb than what they pay for the other bulbs.

▪ **Green promotion**

Promotional techniques and policies are the strongest strategies which hold and turn the consumers. Holding the customers for long duration is the crucial issue in present context. Therefore in the promotional activities like advertising, sale promotional activities, the environmental issues need to be passed to ultimate users.

▪ **Green place**

The green place is about managing logistics to cut down transportation cost. Logistics may relate to the procurement of raw materials, concentration or dispersion of production plants in a particular region.

II. REVIEW OF LITERATURE

▪ Ishawini and Sarojkumar Datta (2011) in their paper analyzed with the objective of pro environmental concern and its influence to green purchase behaviour of the consumers. In order to achieve the objectives consumers' preference, pro environmental concern, and knowledge about the environmental issues are the variables used. This study concludes that educated consumers are high concern towards the environment, so companies may focus on the segment of educated consumers for green products.

▪ Ronald Drozdenko et al.,(2011) in their study entitled with "pricing of green products, premium paid, consumer characteristics and incentives". The study focus on customer's perception towards the price premium of green products based on the demographic, situational, and product categories. They suggested that tax incentives were highly influence the consumers for willing to pay the green products.

▪ Afzaal Ali and Israr Ahmad (2012) focused on the factors that influence the green purchase intention of the consumers. To fulfil the objectives of the study organization green image, environment knowledge, environment concern; perceived product price and quality are the variable used. They found that organization green image, environmental knowledge, environmental concern, perceived product price and quality are the influential factors to the green purchase behaviour of the consumers.

▪ Azhagaiah (2006) observed the impact of green marketing and environmental protection. In his study, found that the environmental issues have a significant impact on the modern society. The environmental problems are the result of mass consumption and production across the globe. Due to limited resources, an extra caution is needed from both the consumers and the producers. Therefore, awareness is needed for the protection of environment.

III. OBJECTIVES OF THE STUDY

- ✓ To analyze factors which influencing purchase decision of green products
- ✓ To know the attitude of people towards green products
- ✓ To identify the benefits of green product.
- ✓ To identify the level of satisfaction towards green products

IV. SCOPE OF THE STUDY

The study is conducted to know the attitude of people towards green products like solar light, solar heater, handicraft items, paper bags and clay products. Around 50 people are considered for the analysis. The study helps to acquire picture of factors influencing purchase decision of green products and the level of satisfaction of people using these products and also helps to get an overall

BENEFITS OF GREEN PRODUCTS

Benefits available for firms and industries

- 1) Helps to access new markets.
- 2) Can help to achieve competitive advantage over other companies.
- 3) Protects the company in the long run.
- 4) Aids in long term growth.
- 5) Improves the quality of the environment.
- 6) Environmentally responsible company will hold a unique status in the society.

Benefits for the consumers

- 1) Health benefits.
- 2) The network of green users expands.
- 3) Less threat to the eco-system by the consumers.
- 4) The earth will be protected from hazardous goods.

V. RESEARCH METHODOLOGY

Research methodology is a way to systematically solve the research problem. It deals with the objective of a research study, the method of defining the research problem, the type of data collected, method used for data collecting and analyzing the data etc. The methodology includes collection of primary and secondary data. For this study the design used was descriptive. Descriptive design as the name itself implies, is conducted to describe something. Descriptive Research is to describe something which is both qualitative and quantitative in nature. Total population for the study is unknown. The sampling method is convenient sampling method. Sample selected is 50. Primary data are collected by administering questionnaires and secondary data from journal, organization record, magazines and internet.

2. Analysis and Interpretations

Green products purchased by respondents

| Green products | No of respondents | Percentage |
|----------------------|-------------------|------------|
| Solar light | 12 | 24% |
| Solar heater | 16 | 32% |
| Paper bags | 8 | 16% |
| Handicrafts items | 8 | 16% |
| Clay products | 6 | 12% |
| Total | 50 | 100 |

Interpretation

From this table it is clear that most of the people are in the habit of purchasing solar heater (32%). 24% of people purchased solar light. 16% of people purchased paper bags and 16% of people purchased handicraft items and only 12% of people purchased clay product.

Factors influencing the purchase decision

| Faction | No of respondents | Percentage |
|--------------------------------------|-------------------|------------|
| Quality and environmental protection | 25 | 50% |
| More benefits | 8 | 16% |
| Safety | 5 | 10% |
| All | 12 | 24% |
| Total | 50 | 100 |

The major factor induces people to purchase green product are quality and environmental protection. 50% of people are fall under this category. 16% of people are induces to purchase these products, because of its benefits. Safety is the another criteria which influence the purchase decision. 5% of people are fall under this category. 24% of people are in the habit of purchase these products by expecting all these benefits.

Satisfaction frequency percentage

| Satisfaction | Frequency | Percentage |
|--------------------------------------|-----------|------------|
| Satisfied with all product purchased | 15 | 30% |
| Satisfied with certain product | 23 | 46% |
| Not satisfied | 12 | 24% |
| Total | 50 | 100 |

Interpretation

30% of people are satisfied with all products purchased by them. 46% of people do not get satisfaction from all the products, they are satisfied only 24% of people are not satisfied with the products

VI. FINDINGS

- 56% of people are purchased solar power products
- The main factors induces people to purchase green product is quality and environmental protection
- Solar power products provides guarantee for 68% of people
- 66% of people have good opinion about the reliability of the product they are purchased
- 26% of people face difficulty in availability of the products
- 80% of people are ready to recommend the product they are purchased
- 70% of people makes recent purchases
- 30% of people are satisfied with the products they are purchased
- 24% of people are not satisfied
- 30% of people have good opinion about the quality of the product.
- 88% of people believes that green products will contribute to the sustainable future

VII. SUGGESTIONS

- In order to increase the sale of paper bags, handicraft items and clay products there is a need to undertake promotional activities
- Analyze the reason for low satisfaction of people and take corrective actions to solve these problems
- Take measures to avoid the problem of unavailability of the products
- Educational institutions should introduce a subject on “environmental studies” in the academic curriculum.
- Conduct awareness classes among the people about the problems of plastic bags
- Provide information to people about the contribution of green products to sustainable future
- Setup specialized outlets to make easy availability of green products

LIMITATIONS OF THE STUDY

- Time allotted for the study is limited
- The study does not reveal actual result as the sample size limited to 50
- Sometimes the respondents may give false information

VIII. CONCLUSION

Green products or eco-friendly products have a prominent role in conservation of environment. So there is a need for promoting the green products. From this study, it is clear that most of the people are in the habit of purchasing green products like solar light, solar heater, paper bags, handicraft items and clay products.

This study reveals that people have positive opinion towards solar lights and solar heater. On the other hand, handicraft items, paper bags and clay. The major factor induces people to purchase green product are quality and environmental protection. 50% of people are fall under this category.

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