

# An Empirical Study on Factors Influencing Effectiveness of Green Marketing

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## **Abstract:**

Green marketing is the practise of promoting goods and services in an environmentally friendly manner, and it is currently in its infancy. This concept of green marketing is extensively welcomed by everyone. To bring justice to the decisions of various national and international agencies, it has become necessary to develop ethical guidelines. This will not only promote green marketing activities among producers and consumers, but it will also ensure that everyone participates to the necessary extent. The importance of social marketing in protecting the environment and taking action to enhance quality of life should be understood by marketers. Social marketing focuses on issues like reducing environmental pollution, protecting vanishing issues that include reducing environmental pollution, protection of natural resources. The study was conducted among 247 respondents and aims at identifying the effectiveness of green marketing.

**Key Words:** Green Marketing, Eco- Friendly, Consumers, Producers

## **I. INTRODUCTION:**

Green marketing is a strategy used by businesses to produce and market their environmentally friendly products and services. Businesses need to produce or package their products or services in an environmentally friendly way. The process of green marketing entails actions like the creation and promotion of goods and services that satisfy customers' wants and needs in terms of product and service performance, price, and convenience without having a negative impact on the environment. Nowadays, consumers are more likely to favour environmentally friendly products and place less emphasis on price. Advertisers who use green marketing typically emphasise the advantages their products have for the environment. Due to the limited numerous resources available on the planet,

businesses are forced to make an effort to meet everyone's unending needs. People frequently claim that man has access to all of the resources on earth. Due to the firms' limited resources, they must develop new strategies to satisfy these endless needs. Ultimately, green marketing looks to determine how marketing activities use these finite resources while satisfying consumer needs and wants, taking into account both personal and industry needs and wants, as well as achieving organisational goals.

## **II OBJECTIVES OF THE STUDY:**

- To determine the level of consumer awareness towards green products,
- To examine the barriers to leading a greener lifestyle, and to assess the variables influencing green products.

**III. REVIEW OF LITERATURE:**

**Arianis Chan, AyuSekarsari, and Benny Alexandri (2019)** have stated that environmentally friendly activities have become a focus of business strategies that emphasise green marketing. How well a product is certified as environmentally friendly will determine its quality. Because the product is safe for the environment in addition to performing the functions promised, such green marketing initiatives that focus on environmentally friendly products tend to increase the value of the consumer towards the company.

**Stella Symeonidou&DimitraVagiona (2018)** has highlighted the various causes of environmental degradation. As a result, there are increasing pressures on the freshwater resources that change over time and space. As a result, tools for studying and assessing how human needs and concerns affect the planet's life support systems have emerged known as footprints in the economic, environmental, and social spheres.

**Aurelia Traistaru (2017)** explained that in order to improve the effectiveness of the marketing process, it is crucial to look into all market activities, consumer needs and wants, and the company's use of its ecological marketing strategy. To make a difference in the eco-friendly market, it's

crucial to show how the firm's functions are set up to capitalise on the advantages of eco-friendly marketing strategies and how they affect demand.

**Dr.PriyankaGoel and Ms.Sheelu Sharma (2017)** have affirmed that consumers and producers both have an impact on the environment. Consumers and producers are concentrating their efforts on what is perceived to be "green" or environmentally friendly goods and services. The study focused on how consumers feel about and prefer green marketing strategies and goods.

**SofíaLópez-Rodríguez (2016)** examines whether marketing tactics are intended to meet stakeholder demands for environmental protection. While engaging in green marketing or integrating green marketing into a wider stakeholder orientation, this article also tries to determine the ranking of environmental groups on other stakeholders.

**IV. RESEARCH METHODOLOGY:**

The study used a descriptive research design. A structured questionnaire was used to gather the primary data using a systematic sampling technique. 247 respondents made up the study's sample. 25 samples were used in a pilot study to assess the viability of the created questionnaire.

**Table 1 Showing the Reliability Test**

| <b>PARAMETERS</b>              | <b>N</b> | <b>CRONBACH'S ALPHA</b> |
|--------------------------------|----------|-------------------------|
| Level of Awareness             | 4        | 0,922                   |
| Barriers                       | 7        | 0.940                   |
| Environment Consciousness (EC) | 8        | 0.952                   |
| Purchase Behaviour (PB)        | 7        | 0.949                   |
| Seller's Intention (SI)        | 4        | 0.926                   |
| Effectiveness                  | 7        | 0.937                   |

**INFERENCE:** The 247 items and all parameters have a Cronbach's alpha coefficient of more than 0.900, which indicates that the items have a high degree of internal consistency.

#### V. DATA ANALYSIS & INTERPRETATION:

**Table 2 Showing the Period Of Firm Involved In Green Marketing**

| Particulars        | No. of Respondents | Percentage |
|--------------------|--------------------|------------|
| Less than 2 years  | 22                 | 8.91       |
| 2 years – 5 years  | 43                 | 17.41      |
| 6 years – 10 years | 83                 | 33.60      |
| More than 10 years | 99                 | 40.08      |
| <b>Total</b>       | <b>247</b>         | <b>100</b> |

*Source: From Primary data*

**Result :** From the above table, 40.08% of the company has been engaged in green marketing for more than 10 years, while 8.91% have been doing so for less than 2.

**Table 3 Showing the Level Of Awareness Of The Respondents**

| Particulars  | No. of Respondents | Percentage |
|--------------|--------------------|------------|
| Very low     | 21                 | 8.50       |
| Low          | 43                 | 17.41      |
| Average      | 83                 | 33.06      |
| High         | 71                 | 28.74      |
| Very high    | 29                 | 12.29      |
| <b>Total</b> | <b>247</b>         | <b>100</b> |

*Source: From Primary data*

**Result:** This table shows that 33.06% of respondents have average awareness of green marketing, compared to 28.74% of respondents who have high awareness on green marketing.

**Table3 Showing Purchase of Green Products By The Respondents**

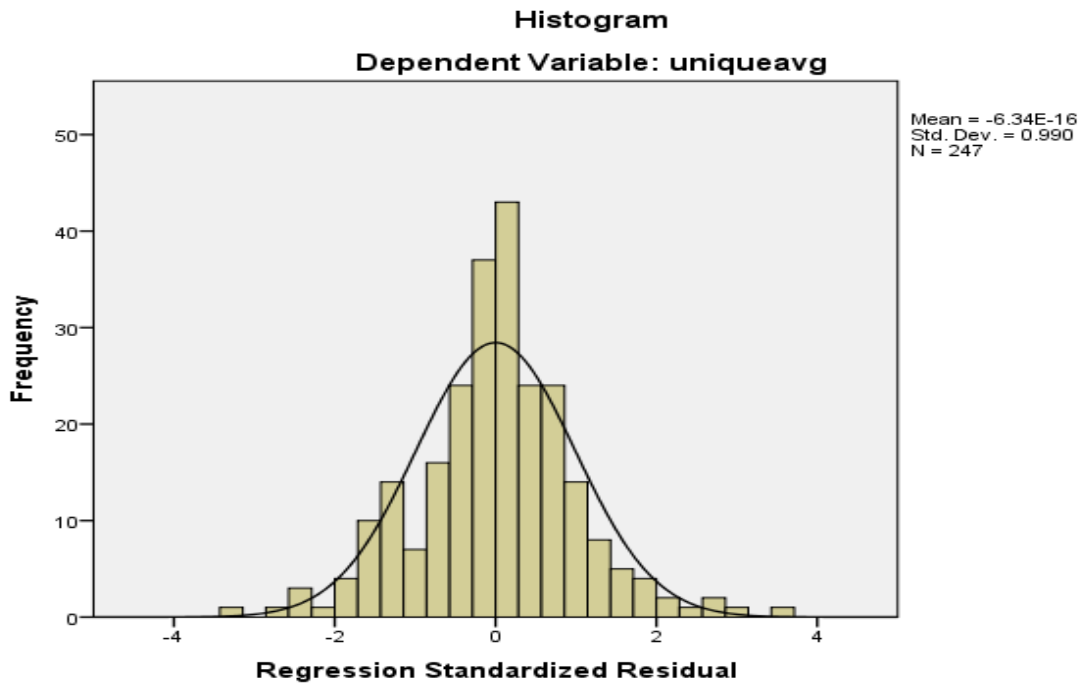
| Particulars       | No. of Respondents | Percentage   |
|-------------------|--------------------|--------------|
| <b>Not at all</b> | <b>25</b>          | <b>10.12</b> |
| <b>Sometimes</b>  | <b>110</b>         | <b>44.53</b> |
| <b>Often</b>      | <b>69</b>          | <b>27.94</b> |
| <b>Always</b>     | <b>43</b>          | <b>17.41</b> |
| <b>Total</b>      | <b>247</b>         | <b>100</b>   |

*Source: From Primary data*

**Result:**From the data in the table, it can be seen that 44.53% of respondents buy green products sometimes and 27.94% of respondents often buy green products.

Multiple Regression Analysis On Influence Of Consumers Attitude On The Effectiveness Of Green Marketing:

Null Hypothesis: There is no significant influence of determinants influencing the attitude of consumers on effectiveness of green marketing.



The data are found to be normally distributed in the above chart. Multiple Regression Analysis is therefore performed. In this study the dependent variable is Effectiveness of green marketing and independent variables are

Sellers Intention (towards green marketing, Purchase behaviour (PB) towards green marketing, Awareness on green marketing, Barriers of green marketing and Environmental Consciousness (EC).

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics |          |     |     |               | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|---------------|
|       |                   |          |                   |                            | R Square Change   | F Change | df1 | df2 | Sig. F Change |               |
| 1     | .947 <sup>a</sup> | .896     | .894              | .31959                     | .896              | 415.976  | 5   | 241 | .000          | 1.893         |

a. Predictors: (Constant), Slavg, ECavg, awarenessavg, barriersavg, PBavg  
b. Dependent Variable: effectivenessavg

The analysis is discussed as follows:

**Dependent Variable** : Effectiveness of green marketing  
**Independent Variables:** Sellers Intention towards green marketing, Purchase behaviour towards green

marketing, Awareness on green marketing, Barriers of green marketing and Environmental Consciousness..  
**R Square Value:** 0.896  
**F Value:**415.976

**P Value: 0.000**

| Model |            | Sum of Squares | Df  | Mean Square | F       | Sig.              |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1     | Regression | 212.439        | 5   | 42.488      | 415.976 | .000 <sup>b</sup> |
|       | Residual   | 24.616         | 241 | .102        |         |                   |
|       | Total      | 237.055        | 246 |             |         |                   |

a. Dependent Variable: effectivenessavg  
 b. Predictors: (Constant), SIavg, ECavg, awarenessavg, barriersavg, PBavg

The above table depicts the analysis of variances results for Self Intention, Environmental consciousness, Awareness of green marketing concept, Barriers in green marketing ,Purchase Behaviour in green marketing , Effectiveness of Green Marketing. It is noted from the above table; the f value is 415.976and p-value is 0.000 which is less than 0.01. The result indicates that the independent variables namely Sellers Intention, Environmental consciousness, Awareness of green

marketing concept, Barriers in green marketing and Purchase Behaviour in green marketing are influencing the dependent variable Effectiveness of Green Marketing. Adjusted R square is 0.896 which indicates the model is very good and also says that 89.6% variance in effectiveness green marketing is explained by the predictor variables.

**Table 6:Coefficients<sup>a</sup>**

a. Dependent Variable: effectiveness avg

| Model |                             | Unstandardized Coefficients |            | Std Coeff | T      | Sig. | CollinearityStatistic |       |
|-------|-----------------------------|-----------------------------|------------|-----------|--------|------|-----------------------|-------|
|       |                             | B                           | Std. Error | Beta      |        |      | Tolerance             | VIF   |
| 1     | (Constant)                  | .120                        | .075       |           | 1.593  | .012 |                       |       |
|       | Barriers avg                | -.460                       | .067       | -.500     | -6.886 | .000 | .138                  | 7.222 |
|       | Awareness avg               | 1.023                       | .085       | 1.033     | 12.062 | .000 | .329                  | 3.033 |
|       | Environmental Consciousness | .275                        | .045       | .283      | 6.166  | .000 | .204                  | 4.895 |
|       | Purchase Behaviour          | .042                        | .091       | .044      | .468   | .040 | .459                  | 2.175 |
|       | Sellers Intention           | .090                        | .083       | .096      | 1.084  | .029 | .124                  | 8.046 |

The multiple regression equation is

$$Y = 0.120 - 0.460X_1 + 1.023X_2 + 0.275X_3 + 0.42X_4 + 0.90X_5$$

Here the coefficient of  $X_1$  is -0.460 which represents the partial effect of barriers in green marketing on effectiveness of green marketing. The estimated negative sign implies that such outcome is negative that effectiveness of green marketing would decrease by 0.460 for every unit decrease in barriers in green marketing and this coefficient value is significant at 1% level. The coefficient  $X_2$  represents awareness on green marketing. The coefficient of  $X_2$  is 1.023 which represents the partial effect of awareness of green marketing on effectiveness of green marketing. The estimated positive signal implies that such effect is positive that effectiveness of green marketing would increase by 1.023 for every unit increase in awareness of green marketing and this coefficient value is significant at 1% level.

The coefficient  $X_3$  represents Environmental consciousness towards green marketing. The coefficient of  $X_3$  is 0.275 which represents the partial effect of Environmental consciousness towards green marketing on effectiveness of green marketing. The estimated positive signal implies that such effect is positive that effectiveness of green marketing would increase by 0.275 for every unit increase in Environmental consciousness towards green marketing and this coefficient value is significant at 1% level. The coefficient  $X_4$  represents purchase behaviour towards green marketing. The coefficient of  $X_4$  is 0.42 which represents the partial effect of purchase behaviour towards green marketing on effectiveness of green marketing. The estimated positive signal implies that such effect is positive that effectiveness of green marketing would

increase by 0.42 for every unit increase in purchase behaviour towards green marketing and this coefficient value is significant at 1% level. The coefficient  $X_5$  represents Sellers Intention towards green marketing. The coefficient of  $X_5$  is 0.90 which represents the partial effect of Sellers Intention towards green marketing on effectiveness of green marketing. The estimated positive signal implies that such effect is positive that effectiveness of green marketing would increase by 0.90 for every unit increase in Sellers Intention towards green marketing and this coefficient value is significant at 1% level.

#### **V DISCUSSIONS & IMPLICATIONS:**

- 40.08% of the company has been engaged in green marketing for more than 10 years, 33.06% of respondents have average awareness of green marketing and 44.53% of respondents buy green products sometimes.
- Dependent Variables of the study for multiple regression is effectiveness of green marketing and Independent Variables are Sellers Intention towards green marketing, Purchase behaviour towards green marketing, Awareness on green marketing, Barriers of green marketing and Environmental Consciousness.
- The result indicates that the independent variables namely Sellers Intention, Environmental consciousness, Awareness of green marketing concept, Barriers in green marketing and Purchase Behaviour in green marketing are

influencing the dependent variable Effectiveness of Green Marketing.

- The estimated negative sign implies that such outcome is negative that effectiveness of green marketing would decrease by 0.460 for every unit decrease in barriers in green marketing.
- The estimated positive signal implies that such effect is positive that effectiveness of green marketing would increase by 1.023 for every unit increase in awareness of green marketing.
- The estimated positive signal implies that such effect is positive that effectiveness of green marketing would increase by 0.275 for every unit increase in Environmental consciousness towards green marketing.
- The estimated positive signal implies that such effect is positive that effectiveness of green marketing would increase by 0.42 for every unit increase in purchase behaviour towards green marketing.
- The estimated positive signal implies that such effect is positive that effectiveness of green marketing would increase by 0.90 for every unit increase in Sellers Intention towards green marketing

## **VI. SUGGESTIONS & RECOMMENDATIONS:**

- Consumers must be made more aware of the benefits of green products. The idea of green marketing is still relatively unknown to many people. Through green marketing advertisements

and campaigns, awareness programmes highlighting the advantages of green marketing should be set up among consumers.

- Consumers must be persuaded to switch brands or even spend more money on the environmentally friendly option.
- Adequate steps should be taken to preserve the legitimacy and dependability of the companies' green products. Specific laws ought to be made in order to implement the idea of green marketing effectively and efficiently.

## **VII. CONCLUSION:**

The economic aspect of marketing should not be overlooked in green marketing. Consumer perception of the company is positively impacted by green marketing. The study found that consumer awareness, environmental consciousness, the advantages of green marketing, consumer purchasing patterns, seller intentions, and barriers to green marketing were the most important variables. These elements, along with the products themselves, have a significant impact on the overall premium that a consumer was willing to pay for green goods. People are beginning to understand their part in protecting the environment and their duties in doing so. Although it's taking a while, this transformation is nonetheless happening. By trying to repackage their products into more environmentally friendly products, businessmen are trying to gain a competitive edge in the green market industry. They typically reduce extras and waste by switching to more environmentally friendly and productive methods of operation.

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