

**The Green Gap:
(The Difference between Consumers' Environmental Concerns and Ecological Deeds)**

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Abstract

With the human wants escalating heavily, the resources are decreasing. There is heightened awareness globally of the impact of human over consumption activity on the earth's natural resources, with issues such as global warming, ozone depletion, water and air toxic waste, loss of species and farmland deterioration threatening both the environment and human life. Human consumption behaviour presents an issue for the environment and the society from the perspective that abated consumption, use and disposal of product and services, negatively impact physical environment and the people that inhabit it. Past consumption behaviour has resulted in devastating impact, while predicted future consumption patterns of energy and natural resources show an expected rise in natural resource consumption to 170% of earth's bio-capacity by year 2040.

Green marketing (or marketing of Eco-friendly goods) has not lived up to the hopes and dreams of many managers and activists. Although public opinion polls consistently show that consumers would prefer to choose a green product over one that is less friendly to the environment when all other things are equal, those "other things" are rarely equal in the minds of consumers. This paper tries to study of consumers' attitude and purchasing intention toward eco-friendly goods will help marketers to understand how to improve and price their green products and how to attract consumers to buy their products.

Keywords: *Green Marketing, eco-friendly products, consumer behaviour*

Introduction

With the human wants escalating heavily, the resources are decreasing. There is heightened awareness globally of the impact of human over consumption activity on the earth's natural resources, with issues such as global warming, ozone depletion, water and air toxic waste, loss of species and farmland deterioration threatening both the environment and human life. Past consumption behavior has resulted in devastating impact, while predicted future consumption patterns of energy and natural resources show an expected rise in natural resource consumption to 170% of earth's bio-capacity by year 2040.

Beginning in the 1970s, a significant amount of research has been conducted on consumer behaviour for environmentally friendly products. Many variables were shown to drive consumer choice in regards to purchasing environmentally friendly products. In today's marketplace, consumers are offered with an increasing number of products that claim to be environmentally friendly, in addition to their conventional or regular products. Compared with regular products, these green products tend to use biodegradable, nontoxic ingredients; are packaged in recycled material; and are usually sold at price premium in comparison with traditional products. Various product cues are commonly used to convey the status of green products, including the colour of the product's packaging and the wording of its brand name, and the use of additional labels (e.g. "Energy Star" label). In addition, the firms have slowly applied green marketing practices in their projects as a part of social conscience and they are demanding to reach the consumers with their green messages (Nagaraju & Thejaswini, 2014). For instances, the firms remain to introduce different forms of green packaging programs through the recommendation of recyclable and reusable packages as the importance of green marketing to market success has been increased.

Eco-label, eco-brand and environmental advertisement are part of the green marketing tools, which can make their recognition easier and increase awareness of eco-friendly products among the consumers. Consequently, this will lead the consumers to purchase the environmentally friendly

products. Practicing these policy tools plays an important role in changing consumer-purchasing attitude towards environmental friendly products. (Delafrooz, Taleghani, & Nouri, 2014).

Research and opinion polls across the world claim that despite consumers expressing concern about the environment, they are unwilling to purchase or pay a higher price for environmentally friendly products (Ottman 1992, Schlossberg 1991, Jay 1990). These same studies also reveal that consumers don't buy the green products that they claim when polled (Jay 1990). There remains a wide gulf between consumers' positive attitudes towards eco-friendly products and their inconsistent and often incompatible consumption behaviour. Indeed, this is a challenge for marketers seeking to promote the sustainability agenda. Consumers' perceptions of product effectiveness are critical in determining the type of product they decide to buy in a given instance. In general, product price and quality followed by its availability remains dominant factors determining consumers' choice of goods, whereas environmentally friendly products are perceived to be less effective but more expensive than regular products.

Indian Scenario

In most underdeveloped and emerging economies, including India, general discussion of a Green Economy is still at a nascent stage. This is largely due to the perception that Green Growth is always less than standard Keynesian growth and costlier. As these countries have large concentrations of the world's poor and negligible social overhead capital, their utmost priority is to increase income so that the state can ensure distribution and investment in a way that lifts people out of poverty and creates a conducive atmosphere for private investment. Developing countries, such as India, argue that while they are prepared to be part of regime to tackle climate change, they should not be required to bear a disproportionate part of the costs of taking action. However, evidence shows that some of the most adverse effects of climate change will be in developing countries, where populations are most vulnerable and least likely to easily adapt to climate change, and that climate change will affect the potential for development in these countries. Developing nations, like India, face greater vulnerability because of their reliance on agriculture, their lower tolerance to coastal and water resource changes, and lower financial, technical, and institutional capacity to adapt.

Indian literate and urban consumer is waking up to the merits of Green products. However, it is still a new concept for the majority. The new green movements need to reach the masses and that will take a lot of time and effort. By India's customs and Ayurvedic heritage, Indian consumers do value the significance of using natural and herbal products. Indian consumer is exposed to healthy living lifestyles such as yoga and natural food consumption. In those aspects the consumers is already aware and are inclined to accept the natural/green products. India is already one of the largest economies in the world, and will continue its brisk urbanization and economic development over the next few decades. This is a cause for celebration, however, in this growing economic prosperity, and through change of the marketing mix and marketing strategies like promotion and advertising, people are guided by an unlimited desire for additional goods and are influenced by an attitude of grandiosity, of being superior, of having things under control, of improving one's position and of preferring new commodities to old ones. This over consumption on vast scale productivity puts pressure on the resources of the ecosystem. While the material indices of wealth rose, the environmental indices fell.

Pro-environmental or green consumer behaviour is behaviour that minimizes harm to the environment as much as possible, or even benefits it (Steg & Vlek, 2009). More simply, it has been described as 'doing good and avoiding bad' (Cushman-Roisin, 2012). However, green marketing (or marketing of Eco-friendly goods) has not lived up to the hopes and dreams of many managers and activists. Although public opinion polls consistently show that consumers would prefer to choose a green product over one that is less friendly to the environment when all other things are equal, those "other things" are rarely equal in the minds of consumers. There are several reasons as to why the concept of developing an eco-friendly products and thus marketing them has not picked up in Indian domestic market. The industries and specifically the micro, small to medium enterprises (MSMEs) which accounts for more than 50% of output in India face a number of barriers; most important of them being the technical and the economic barriers when opting for a greening option.

More so, if producing a green product entails an increasing marginal cost of production. In the face of lack of technical knowledge, if a firm facing a financial barrier opts for developing a eco-friendly product then it would end up producing a product, which though green, would be below standard in the overall quality but higher in cost. Marketing such a green product would be difficult because green attribute will always come after the traditional selling points such as price and quality are catered. It would be more difficult when the consumer awareness about the environmental consequences of the product they are purchasing is either absent or low. In such a situation, justifying a price premium for the green attribute becomes difficult and such a firm offering a high green quality product but having a lower quality would miss the market share in contrast to a firm that though is polluting in nature, offers a product with higher quality and low cost.

Methodology

The authors employed questionnaire method for data collection to explore consumers' purchasing behaviour. The survey was completed in Haryana province in India and the sample size was 500. According to the World Bank, India, with per capita income of \$1580, is a lower middle-income group country, with 30% of India population living under poverty line. Thus, people belonging to SEC A and SEC B (socio-economic classification A and B) were interviewed. The purpose of selecting respondents from this group was to generate data from people who are well educated and have a decent purchasing power. This number of interviews enabled us to achieve theoretical saturation in our target group. Our interview strategy was to collect opinion regarding eco- friendly fast moving consumer products from consumers of different age groups, genders and income groups. The secondary data were collected from relevant journals, books and other published data.

The green products investigated in this research are limited to Fast Moving Consumer Goods. Fast Moving Consumer Goods generally include wide range of low priced but frequently used consumer products such as toiletries, soap, cosmetics, dental care products, home cleaning products, shaving products and detergents etc. By definition, FMCG addresses to a very core and inescapable need in the consumer's life. It is also less prone to economic swings than high-ticket items such as television or even apparel.

Purchase Behaviour

The purchase is only the visible part of a more complex decision process created by the consumer for each buying decision he makes. *Engel, Blackwell and Kollat* developed a model of consumer buying decision process in five steps: Problem/need recognition, information search, evaluation of alternatives to meet this need, purchase decision and post-purchase behaviour. Rubik and Frankl (2005) point out that consumers' attitude and behaviour play a key role when it comes to green choices. So it seems clear that the response of consumers is highly important when it comes to green marketing. Moreover, the symbolic aspect of environmental labeling matters (Rubik and Frankl, 2005).

During the latter half of the 20th century, evidence emerged to suggest that human behaviour is often irrational. To address this, economics integrated insights from psychology with economic theory, resulting in a new sub-discipline called 'behavioral economics', which explains why decisions may not be rational. Simon (1955) introduced the notion of 'bounded rationality', which proposes that rational decision-making is often limited by availability or time, or in some cases, too much choice that leads to procrastination (Schwartz, 2004). This 'paradox of choice' can be heightened by the complexity of green behaviour, for example, it is difficult for consumers to decide whether non-organic, locally-produced food is more sustainable than organic food that has been transported long distances (Söderholm, 2010). Ottman argues that the consumer that purchases eco-labeled goods fulfils by doing so a personal, sometimes subconscious, need (Ottman et al, 2006). This could be a need for:

1. social/group acknowledgment (or identification)
2. personal beliefs in some environmental/social cause
3. social/group approval (or admiration)

It becomes clearer at this point that consumers' attitude, believes and behaviours have a great influence on marketing practice.

Findings

The author surveyed five hundred professionals, both male and female, of different age, income and academic background about sustainable consumption in India. These people represented Indian consumers mainly from the fast growing middle and upper middle socio-economic groups. This group is upward, mobile and socially enlightened.

'Sustainable' means the capacity to continue, to remain viable. 'Sustainability' refers to aspects that allow this continuation, including the ability to develop and change. The term "sustainability" has its origins in the field of ecology, designating an ecosystem's potential to subsist for a longtime with almost no alteration. The World Business Council for Sustainable Development "(W.B.C.S.D.) defines this concept as 'forms of progress that meet the needs of the present without compromising the ability of future generations to meet their needs'.

From the demographic analysis of the sample data it was established that only half (50.45%) of the respondents have concern about the deteriorating environment, whereas 28% respondents felt that environment issues are only somewhat serious, but there are other more essential issues that need attention. Based on this study, it is concluded that consumers know about climate change, understand that reducing their own carbon footprint will help fight climate change, and want to join that effort. However, this study also shows that consumers do not quite understand how to act on their greener impulses. There is lack of awareness among the consumers. Only 75 respondents (i.e. 15%) were able to name eco-labels/eco-certificates prevalent in India. Further, only 294 respondents (i.e. 58.8%) respondents were able to recollect advertisement of eco-friendly products they had seen on Indian media.

Environmental attributes of a product are more difficult for a consumer to assess compared to other easily observable product attributes. Hopes for green products gaining market share have also been hurt by the perception that such products are of lower quality or don't really deliver on their environmental promises. However, most of the respondents (mean: 3.65; Std. Dev: 1.24) admitted that eco-friendly products are healthier than their conventional counterparts.

High Price of environmentally products was cited as major factor for not purchasing eco-friendly products by sampled respondents. Majority of the respondents (76.6%, mean: 3.58; St Dev: 0.94) said that most of the eco-friendly products are overpriced. Price is a critical and important factor of green marketing mix. Findings from this work also suggest that the segment of consumers willing to pay more for eco-friendly products in India may not be very big. Even in a knowledgeable, middle and upper middle-income group segment with decent purchasing power like the one chosen for this study, willingness to pay premium receives an underwhelming response. Only five percent respondents are willing to pay more than 15% premium for eco-friendly products, whereas, 16.4% respondents said that they will not pay any premium for eco-friendly products.

Only half of the respondents claimed that they understand all the environmental terms companies used in their advertising (51.8%; mean: 3.36; Std. Dev: 0.9165), and only 61.8% respondents are influenced by 'Green Certificate' on product packaging (mean: 3.49; Std Dev 1.02). However, 77% respondents felt that number of companies uses green advertising to protect their reputation (mean: 3.478; Std Dev: 1.0117). Despite the increase in corporate environmental disclosure, there remains substantial heterogeneity in the extent to which corporations reveal their environmental impacts. More than 60 percent consumers remain suspicious of "Greenwash". Concise Oxford Dictionary defines Greenwash as disinformation disseminated by an organization so as to present environmentally responsible public image. For example, paper or lumber products flaunt their recycled content or sustainable harvesting without noting the impact of their manufacturing processes on air and water emissions or global warming. Respondents felt that claims made by the manufacturers are least trustworthy source of information about environment friendliness of the product.

Having decided to buy eco-friendly products, many consumers encounter a final obstacle: They can't find them. The choice of 'where and when' to make a product available will have significant impact on the customers. Very few customers will go out of their way to buy green products. Most of the

respondents (mean: 4.02; Std. Dev: 1.44) felt that eco-friendly products are available in few stores only. Further, when ever available, they lack in variety (mean: 3.59, Std. Dev: 1.35).

The result shows that there is a significant relationship between consumers' attitude on government's role and their attitude on green products. That many people have high ecological concern but have a feeling that the preservation of the environment is the prime responsibility of the government. The survey indicates that importance of government's role in preserving the environment. 72% respondents felt that it is the government should not only pass environmental laws but also take strict action corporate houses that violate them. 18% respondents felt that businesses should take initiative to protect environment. Only 10% respondents felt that it is environment protection is prime responsibility of households.

Discussion

The author has tried to provide both theoretical and managerial implications. In terms of theoretical implication, this research adds support to previous researches, which showed that consumers are concerned about the environment, but they are not necessarily prepared to seek out or buy green products. In addition, this research offers a theoretical basis for understanding the impact of product attributes on consumers' green product purchasing behaviour and the important factors that motivate and/or create barriers towards green products purchasing behaviour. The research reveals that traditional product attributes such as price, quality and availability are still the most important ones that consumers considered when making purchasing decision.

However, in this research, consumers identified barriers to buying green products at all five stages of the purchase process. In the first stage, awareness, consumers are not aware about the green choices in a number of categories. Next, consumers must believe that a product will get the job done. Many, however, during evaluation stage, think the quality of green products is lower than that of their conventional counterparts. Consumers must then decide whether or not a product lives up to its green reputation. Many are skeptical about environmental claims, partly because they distrust corporations and the media. Finally, in the fourth and fifth stages, consumers must decide if a product is worth the expense and the effort needed to purchase it—consumers often believe that green goods cost too much and are difficult to find. Consumers in general will purchase products and services with a mix of attributes including environmental attributes that maximizes their utility. This implies that consumers derive greater utility from the price and quality attributes rather than environmental attributes alone. The consumers may be willing to purchase the environmentally friendly products within certain constraints. Product attributes such as convenience, availability, price, and quality play a more important role in the consumers' purchasing decision process. To increase sales of environmentally sensible products, companies must remove these five barriers—lack of awareness, negative perceptions, distrust, high prices, and low availability.

Overall consumers seemed to be most impacted by drivers that impact their lives and the lives of their nearest and dearest today. Healthiness was a strong motivator in driving "green" behavior especially with respect to cleaning and other household products. Most of the respondents (73%, mean 3.65; StDev: 0.94) felt that eco-friendly products are healthier option than conventional products.

Government should work closely with its stakeholders to develop and agree definitions, both in meaning and application, for widely used green claims. Implementing green behaviour initiatives will require policy to walk a strategic line between encouraging and enforcing, which will involve working closely with a range of actors and an awareness of moments of change to strike the right balance. Evaluation and feedback will be needed to ensure adaptation throughout the development of initiatives. Complex tasks may require complex solutions and produce complex results, but this should not deter the development of innovative methods and evaluations.

Sonigo *et al.* (2012) have identified four main categories of policy tool that can be used to encourage green behaviour:

Regulatory – this includes mandatory tools that ban or limit certain products or behaviour, and requirements, such as mandatory labelling.

Economic – market-based instruments that influence purchasing decisions through taxes, incentives, subsidies, penalties or grants for green enterprises.

Information – such as product labels and information on energy bills

Behavioural – tools or nudges aimed at influencing consumer behaviour by leading individuals to make choices that are better for the environment.

Governments often use their formidable purchasing power to promote environmental policy objectives. The US Environmental Protection Agency and the European Union, for example, have developed environmentally preferable purchasing guidelines for goods ranging from paint, paper, and cleaning supplies to lumber and electricity. Various state and local governments have taken similar steps. These procurement policies often have the stated goals of encouraging cost-reducing innovation among suppliers and spurring private demand for green products (Brander et al. 2003; Marron 2003). The European Union, for example, justifies its environmental procurement policy not only on the basis of leveraging government demand to “create or enlarge markets for environmentally friendly products and services” but also on the basis of stimulating “the use of green standards in private procurement” (Commission of the European Communities 2008: 2). Various central, state and local government agencies in India also can design similar policies to stimulate demand of eco-friendly products in India

In order for consumers to have confidence and trust in the green claims, the author suggests that companies need to follow the four parameters:

Straight forwardness – Consumers expect, at least, claims that are understandable. There is requirement for information on green issues that is straightforward. Vague and excessively technical terms are not widely understood or appreciated by consumers.

Consistency – consumers want reasonable, easy to get to and provable claims.

Comparability – these emerge as one of consumers’ most important expectations. Consumers want straightforward, significant and like-for-like comparisons. The absence of significant comparisons, the general explosion of non-standard labelling schemes and comparisons that are not well understood (e.g., grams of CO₂/km on car ads) offer little or even dent the relevance and usefulness of a green claim.

Rational Cause - To increase sales of green products, companies must make efforts and ensure that consumers understand the returns—both financial and environmental—on their purchases. When consumers find it convenient to track their savings by using a product, they are more willing to try new green products—especially those that cost more. They also feel more convinced about their eco-friendly purchases when they understand how the products will help the environment.

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