Green Marketing: Gap Analysis in the Decision Making Process of a Green Consumer

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Abstract
The concern for environment has been prevalent among generation Y and Z. However, the degree to which such issues are reaching out to others is questionable. Also, the degree to which such concerns are being translated to purchase behavior is highly debatable. Many studies have researched on various sectors of green marketing and its influence on consumer behavior. The purpose of this study is to provide a brief review on how environmentally conscious generation Y and generation Z respond to different factors such as customer characteristics, marketing strategy, price and quality effects, advertisements, and other factors which influence their purchase behavior patterns. Suggestions and recommendations are also provided for the same to marketers and retailers. A gap model is generated for analyzing a green consumer behavior during a decision making process.

Keywords: Green purchase behavior, price and quality effects, awareness levels, customer awareness, green consumer

Introduction
The world is now moving forward with a common goal of protecting the environment and which is the key issue in the current scenario. The term “Green Marketing” has become a universally accepted terminology. It is perceived differently by different people across the globe. It is also known as “Ecological marketing” and “Environmental marketing”. In simple terms green marketing satisfies all human needs with a minimal impact on the environment. Nowadays, businesses are trying to adopt and generate their products and services in the most ecological manner. Green marketing basically includes those items such as consumer goods, industrial goods as well as the service sector because all of these contribute towards ecological imbalance.

Kaur, (2016) Additionally, it includes those items that are sold based on the environmental benefits and thus, those products may be environmentally friendly or are produced or packaged in an environmentally friendly manner. According to Accounting Standard of America green marketing is defined as products that are presumed to be environmentally safe. The Indian scriptures and mythos explain the great importance and worth the Indian society has for the environment. The present-day scenario of our country has relatively a closer reference to the nature due to the cross cultural connection and modern standards. Nevertheless, the term “green” was never a novel jargon to the society as a whole. In an emerging country like India, there has to be an equilibrium between industrial growth and its “green” values. Industries should strive to create a need to balance these values in tune with that of the customers’ needs across the globe. There are many government regulations with this regard and the companies need to strictly adhere to these norms. The Indian companies have to look into their processes, procedures, packaging, services, etc. in order to compete with other firms and have a negligible impact on the environment.

The consumers play a massive role in purchase of green products. The social responsibility of a business can be exposed to the customers through socially responsible activities undertaken by the company and the promotion of green products to the customers. These initiatives would provide as a powerful tool for positive social change towards the society. Additional challenge posed to the marketing managers is the degree to which the consumers are willing to pay for a socially responsible product.

The purchase behavior of a consumers has direct impact on many ecological problems. Some consumers consider ecological problems while making a purchase. The most important element to be noted here is, marketing manager must focus on those consumers who are shifting towards this segment. They should analyze the factors that are affecting their purchase behavior. Figure 1 illustrates the possible factors that affect the consumers’ willingness to pay for socially responsible products.
Therefore, the firms and industries have to look into creating their products and service in such a style so as to align them according to customers’ attitudes and behavior. The most important factor this paper looks into is the generational purchase behavior. It explains the changing perceptions, attitudes, awareness level, etc. between generation Y (millennial), and the generation Z. The main objective of this study is to generate a model for retailers and manufactures in a manner that would help them identify gaps in the process of reaching out to the green consumers.

**Literature Review**

Narula (2016) explains the growing concern in the development of products in a manner that would protect environment and sustain it in order to preserve for future generations too. Certain words like phosphate-free, ozone-friendly, recyclable, etc. are solely associated with green marketing. Green marketing is also associated with developing and improving the pricing system, promotion and distribution of products in a manner that do not harm the environment.

Govender & Govender (2016) elucidates that the ultimate objective of green marketing is to sell products that are harmless to the environment and concurrently encourage consumers’ support and protect the environment. This infers that businesses need to modify the way they function and deliver products that are beneficial not only to themselves but also to the environment.

Solar City (2013) conducted a survey on the American consumer behavior towards their willingness to pay more for products, consumers’ Eco literacy and their purchase patterns. The results exhibited a whopping 75% of consumers would be more likely to purchase a product or service if the company is making an effort to be sustainable. While, 85% of consumers are more likely to purchase a product from a company that signifies Corporate Social Responsibility as its main concern and 93% of Americans have done something to conserve energy in the last two years. These apprehensions relating to the environment are evident in the environmentally conscious marketplace.

Govender & Govender (2016) has identified various reasons for companies to adopt green marketing. The agreement of green marketing acts as a corporate social responsibility, opportunity, or sometimes undertaken due to government laws or competitive pressure. Thus, a company adopts green marketing mix in order to encompass product development and implementing strategies like pricing, promotion and distribution in its products and services.

1. **Green product:** Research has indicated that consumers reach out for green products because they are organic, higher quality or help preserve the environment. In addition, many consumers place great value on green products because it gives them superior value and promises to keep them safe and healthy with saving on costs in the long term.

2. **Green price:** It refers to the amount an individual expends to obtain a green product. Price acts as a significant component to most of the consumers. Many consumers choose not to make a green purchase because they perceive such products to be expensive. In contrast to this, research showed that consumers, especially the younger generation, are willing to pay greater prices for such products and are becoming more health conscious.

3. **Green promotion:** Visual aesthetics and product packaging are effective tools to attract the consumers’ attention. Narula (2016) explains that many times buyers are enticed emotionally to a product through green advertising. Research also exhibited that women consumers heavily depend on the labelling of green products to examine if the quality and content of the product manufactured is with recycled material.

4. **Green place:** An effective marketing strategy helps position the product and helps the desired marketing message is reached out to the consumers’. It is believed that the location and accessibility of goods or services has a greater impact on the consumers. Therefore, when such products are easily accessible, it encourages the consumers’ make a purchase.

The above green mix helps on analyze the need to satisfy the consumers keeping in mind the after effects of them. This article analyses the consumers based demographic profile, customer characteristics, price and quality effects and marketing strategy.
**Green Purchase Behaviour: Demographic Profile**

A demographic profile would help analyze the consumers willing to pay for green products.

Laroche (2001) in his research proved that certain factors like age, marital status, education, etc. play an important role in the buying behavior of green products.

Lautianen (2015) in his report broadly describes the effect of age or gender in green purchase behavior matters in analyzing a consumer behavior and also expounds that status, or the group he or she belongs to models their behavior.

Mun (2014) stated in his report on the effect of social network and product involvement on a consumers’ behavior. They are co-related and help regulate the social context of consumers, for instance friends, co-workers, and family provide essential influence and feedback on consumption of such products will finally affect their decision on such products and brand choice. Researchers have found significant difference among the male and female consumers’. It was observed that the women consumers’ are more environmentally conscious in terms of purchasing eco-friendly food and health care or cosmetics products than the men consumers’ are. It was also observed that women are more open to recommending eco-friendly products than men. They are also ready to pay extra for green product than men consumers’. The impact of occupation on green purchases is yet another important factor to be considered while making a purchase. It was observed that students, sales and administrative workers have a negative relation towards green buying. In contrast to this, it was observed that the needs of the consumers with respect to eco-friendly products are independent of age group, income, occupation and qualification.

The impact of income on consumers’ green purchases is also essential to this study. Research has proved that consumers having more income have the ability to buy quality products than those consumers who are earning lesser income and purchase lower quality. A study concluded that high-income consumers help enhance pro-environmental behavior of other consumers.

Additional component to be studied is the influence of education on consumer green buying behavior.

Additional component to be studied is the influence of education on consumer green buying behavior. The elements like green product features and packaging affect the attitudes of undergraduates and post graduates. Studies have also revealed that a higher education would influence his or her sensitivity towards environmental issues and thus, lead to environmental buying behavior.

Besier (2015) according to another research, two generations were explored in order to find out their attitude or behavior changes. The survey was conduct by way of interviews, consisting of both baby boomers (1945 to 1959) and young generation (1980 to 2000). The results showed a high degree of education and most of them from middle class population. In particular, the generation Y consisted of employed individuals who showed positive attitude toward green products.

**Green Purchase Behaviour: Customer Characteristics**

The customer characteristics with regard to green purchase behavior include the consideration of environmental issues while making a purchase and some of the other significant behaviors like core values, attitudes, perceptions and the other external factors that may influence them.

Narula & Sabharwal (2016) have classified consumers based on their environmental beliefs and attitudes. Attitudes can be positive or negative. According to Schultz, there are three types of attitudes:

a. Altruistic attitudes: concern towards others
b. Self-centered attitudes: concern towards oneself
c. Eco-centric attitudes: concern towards environment

According to Schultz’s research, self-centered attitudes lead to consumers’ behavior. Studies have evidenced that environmental attitudes have a significant impact on green purchases. Thus, environmental attitudes have a positive impact on green purchase behavior. Therefore, the level of environmental concern depends on the interest and desire of the concerned individual.

Omar (2016) have mentioned in their studies that personal values of consumers’ serve as a pivotal point in shaping the attitudes and behavior of the consumers.

Segran, (2013) has identified one of the most important elements to consider in modern marketing. The most important element to consider is to understand and respond to consumers’ needs and wants. Therefore, for businesses to succeed in capturing the customers’ attention, it is essential for them to understand the customers and satisfy their needs and wants.

**Green Purchase Behaviour: Price And Quality Effects**

Gade (2017) mentions in his research undertaken on Yes Lifecycle Marketing had surveyed about 1000 employees and had examined different elements such as unique...
buying habits, attitudes and preferences of 4 generations: Centennials or Generation Z, Generation Y, Generation X and Baby Boomers. According to the survey, three generations labelled ‘price’ as an important motivator for brand loyalty.

SolarCity (2013) also reported the results produced by Vestas, around 51% of the consumers are unwilling to pay more for products made with renewable energy. Another report states that 67% of the American population are unwilling to pay more for an environmentally safe version of a product.

Banerjee (2012) identified that consumers seem to care about the environment but make green purchase decisions only when there are immediate and tangible benefits other than protecting the environment. According to the survey, Walmart, a retail giant, successfully conducted green marketing campaign called ‘The Walmart Mom’. The campaign helped them understand that consumers are more willing to go green but are willing to pay more for a green product if it is of high quality and is reasonably priced and is easily assessable.

According to another study, it was found that there was a positive attitude towards ecologically conscious living, which resulted in ecologically responsible buying and usage of products. It was found that consumers with a strong internally controlled emotion saved more energy in terms of product usage and displayed ecologically responsible buying behavior and consumption patterns. Another research conducted by The Boston Consultancy Group reported that consumers are that consumers’ are willing to pay for a product based solely on its green attribute. There must be some benefit to the product like safety, taste, price savings, etc. It was also concluded that consumers’ care for brand reputation while making a green purchase decision.

Green Purchase Behaviour: Customer Awareness

SolarCity (2013) found that in the present scenario the consumers seek for sustainable products and brands. The survey showed that majority of consumers have a strong interest in sustainable or “green” products.

Laroche (2001) aptly points out that knowledge is the most influential element while making decisions. It was found that those consumers with more knowledge were willing to pay more for eco-friendly products. Therefore, eco-literacy means consumers ability to identify or define a number of ecological symbols, concepts and behaviors.

Govender & Govender (2016) revealed that studies have proved that consumers are aware about the fact that their purchase behavior and also their consumption behavior directly affect the environment. One of the challenges faced by the consumer is that their attitudes do not match their purchase behavior. According to Green Gauge, green awareness and engagement do not necessarily be translated into green purchases. There could be many reasons or motivations for making a variety of purchases or switching brands. They include price of the product, health and safety, discounts offered, convenience, and style.

Also a huge gap exists between product information and awareness. Consumers need to be kept up to date and understand new technologies and product categories. Research also says that close to 60% of the American consumers feel well informed about sustainability and environment-related issues whereas an equal percentage of the population feel uninformed about a brand’s profile.

Nowadays, consumers reach out to social media and online reviews to update themselves on products and services. Around 70% of the consumers rely on other consumers’ opinions that are posted online, that is the most trusted source is “recommendations from people I know”. Statistics show that around 29% of smart phone users have downloaded apps relating to their environmental impact. Banerjee (2012) explains that the results brought out by the consumer products firm seventh generation which is a pioneer in marketing green products, has experienced a substantial increase in the sale of green products. The firm continuously used blogs and print media to reach out to college students in order to get them demand for green products more frequently.

Generational Impact: The Green Way

Every generation is categorized by different experiences that shape their perspectives and behaviors. The impact of the above four factors has been discussed in the context of gen Y and gen Z.

Generation Y

The Millennial generations, also known as Generation Y are born after 1977-1994. In some literature, the birth scale varies from 1980s to early 2000s.

Rogers (2013) defines generation Y consumers as “born green” generation because they have been grown up in a society where eco consciousness was becoming a norm. Lyons (2016) Gen Y are born between 1980- late 1994. They are currently of the age 20-35.

Mepherson (2017) said that this generation happened to be one of the largest populated generations. They have redefined purchasing habits and modernized shopping experience. Millennials tend to show traditional ap-
proach when it comes to retail shopping. Surprisingly, they prefer being able to interact with brands through digital means rather than through historical means that is through circulars or in store advertisements. In case of baby boomers, ‘quality as a good deal’ approach acted as an effective component for the them whereas, for the generation Y population, they have forced brand marketing strategies to become more participative like casually engaging them on social media like Facebook and Twitter. One way for this generation to reach out to them is for brands to become more participative by offering loyalty and reward programs. They are also leaders in ‘word of mouth’ marketing.

Beall (2017) observed that one of the characteristics of Millennials that is worth noting is social media acts as a platform for the Millennials to gain and share their knowledge. It was observed that Millennials often turn to online customer services before making a telephone and in person customer service. It should be noted that nearly 85% of the millennial consumers seek purchase assistance from using their phones. In addition to this, it should be understood that Millennials are frugal and socially conscious consumers. It was witnessed that Millennials take decisions based on their desire to contribute and protect the environment in a better way. In addition to being environmentally conscious population, it was observed that they should be provided a platform to share their experiences with their friends on social media.

Honigman (2013) generated statistics that show demographics as an important role in the purchase decision of Millennials. Millennial parents are said to buy significantly more on the basis of price than on quality. It was also noted that millennial parents purchase decision was 57% based on quality whereas with children it dropped to 50%. It was found that affluent Millennials put a high level of value on brands. It should be noted that 70% of Millennials felt that brands played an important role while making a purchase whereas, 62% of them felt an emotional connection to such brands and prefer to continue with them throughout their lives.

**Generation Z**
The generation Z (1995-2012), considers bettering their environment as their top priority. They are always ready to adopt and research on new green solutions that are cost effective and make reasonable choices. They value products that are affordable, friendly to the environment and those products that are not tested on animal. They are deeply concerned on the social issues prevailing in the society. Omar, 2016 in their research describes gen Z population as those who are born during the digital era that the foremost concerns on the use of technology, PCs, mobiles, devices and internet. They are also known for being multi-taskers and also those who have high levels of tolerance and understanding. They desire for the latest products and brands that are available in the international markets. They have no tolerance to paper invoices and wastes. They are digitally driven and are willing to pay more for those products that are ecologically safe. They prove themselves as generation Z by their way of purchasing of products. They worry more for the economy more than anything else including crimes, politics, and their parents and for the cost of goods. They lack brand loyalty and instead prefer home cooked foods to processed, ready to eat meals. They want to change the world to a safer place to stay in and have entrepreneurial mind set than the Millennials.

Grail Research Integreon (2011) found that 20% of girls aged 12 or below visit online shopping websites and around 13% of girls repeatedly make purchases online irrespective to their age. As a result, many companies and brands are gearing their efforts to collaborating with social media influencers in order to relate to this generation’s needs and wants.

Merriman (2015) effectively points out that the key factor that distinguishes this generation from that of the Millennials is that they are self-aware and self-centered. They require unique experiences, beliefs and behavior. They looked forward for creation of newer and better solutions rather than looking for the companies to find solutions. Generation Z population are not highly driven by ‘big brands’. They are careful spenders and depend heavily on their family and friends in case of any purchases. They are one of the most competitive generation and are very keen on finding solutions to create a sustainable environment.

**Findings And Suggestions**
In order to effectively analyze the population’s behavior towards green product, a questionnaire was formulated and was distributed using convenience sampling technique. The questionnaires were then analyzed using the percentage method and chi-square analysis. The following are the most important findings from the data collected and analyzed.

**Customer Characteristics and Awareness Levels:**

**Similarities:**

a) The awareness levels for both the generations was seen to be 76%.

b) Both the generations ranked television and magazine as the means of gathering information on green products.

c) The purchase frequency of generation Z and Y was seen to be on a monthly or quarterly basis.
d) Contribute to save planet earth was one of the main reasons for purchase of green products.
e) 19% of both the generations neutrally agree that family and friends have influence on their purchase behavior.
f) 19% of both the generation disagree to the fact that family pressure is the main factor for their purchase of green products.
g) Both the generations have graded concern for health, environment and quality are the main elements that are responsible for making such purchases.
h) Culture and religion was also seen as an important factor for making such purchases.
i) Lastly, both the generations have agreed that eco-labels play a major role in green purchase decisions.

Differences:

a) 57% of generation Z have shown that school and institution play a major role in gathering information on green products while, 53% of generation Y have shown that newspaper was the major means of gathering information on green product and services.
b) 66% of Generation Z revealed their concern on the environment before making a purchase. While, 55% of generation Y have showed that they sometimes consider their purchase effects on the environment.
c) 44% of generation Z have said that they would favor products which are made of recycled materials while 49% of generation Y have shown their disagreement.

Marking Strategy and Customer Awareness:

Similarities:

a) Both the generations have acknowledged that they sometimes consider undertaking detailed research on a product before making a green purchase.
b) Ads with green themes and also those which display health and safety benefits have greater impact on both the generations mind set.
c) Education through public forums was rated as the most effective style of communicating the message of green products and their benefits.

Differences:

a) Generation Z showed a ranked educational campaigns as an effective means of spreading green message.
b) Generation Z had shown a greater concern for the degree of environmental friendliness of a green product than generation Y.

1.8.3 Price and Quality Effects:

Similarities:

a) It was observed that both the generations often purchased personal care products and soaps and beverages category.
b) Price discounts were essentially one of the most important feature that generation Y and Z check out for while purchasing a green product.
c) Ease of accessibility was a major component that generation Z requires while purchasing any product.
d) 23% of both the generation look into the product features while making a purchase. They perceive it to be one of the most important characteristic that both the generations entail.
e) Lastly, both the generations have shown that they seek the guidance of retail staff while making certain category of purchases such as green products. They would like to be informed about the features, expiry, etc. of the product from the retailer.
f) Lack of variety was also posed as one of the factors for non-purchase of green products by both the generations. The other factors which influence their non-purchase of green products are malfunctioning of the product, distant shopping habits and non-confirming labels.

Differences:

a) It was observed that 28% of generation Z were willing to pay extra for green products than generation Y.
b) The generation Y customers are more inclined to making price decisions based on the pre-existing products in the markets.
c) It was also observed that generation Y customers undertake price comparison among different category of products before making a green purchase.

Recommendations

Take home lesson for marketers in relation to marketing to generation Y:

a) Ease of communication
b) Budget consciousness
c) Value driven
d) Time is everything
e) Brand positioning
f) Customized products and variety

Take home lessons for marketers in relation to marketing to generation Z:

a) Identification of correct market platforms
b) Use of mobile marketing
c) Product pitch should be brief and precise
d) Product promotion should positive and uplifting message
e) Product should support social causes
Gap Analysis In The Decision Making Process Of A Green Consumer

Explanation:
Based on the empirical study and the findings bought out from the data collected, a model has been proposed to enhance the approach of the marketers and manufacturers towards consumers. In a typical consumer buying decision process, the problem or the need recognition is the prime step for any consumer. Therefore, the existing need of the consumer needs to be satisfied. The role of the retailer and the manufacturer is to identify such a need and generate strategies to reach out to the customers. The retailers and manufacturers need to undertake effective targeting. They need to go beyond just asking the customer what they want in a new product or a service. The retailers and manufacturers need to reach out to the customers by designing the product and communicating it to them. In the process of analyzing the customers there are pertinent gaps that exist between the retailer, manufacturer and the customer.

GAP 1:
This gap exists due to the retailers or the manufacturers perception about the green consumer. They must have a complete understanding about the customer which lacks while analysing consumer’s perceptions. There is also information that is provided by the retailer to the manufacturer regarding the current customer trends in the market. Thus, the marketers need to closely analyze the changing attitudes of the consumers in a fast changing environment. It is also the retailers or marketer’s responsibility to create awareness about green products in the market. The products should be such that it should satisfy the needs of the customer or create a need for the customer. This need can be identified only when the retailers and marketers closely understand the market trends. Thus, the information provided by the retailers is communicated to the manufacturer in order to produce products of customer interests. At this juncture, another gap arises which needs to be addressed to the marketers.

GAP 2:
This gap arises due to the misinterpretation of customer perceptions. There are certain expectations which the consumers expect while purchasing a product. Thus, the retailer’s duty here is to understand customers’ expectations and generate interest and desire to purchase such products. Further, this duty of the retailer to create such interest can be enhanced with the core support of manufacturers promotion and positioning of the product. Thus, the retailers and manufacturers must work hand in hand to generate a positive attitude in the consumers. In this stage, the problem of product design and in this stage, the problem of product design and communication needs focus.

GAP 3:
This gap attempts to explain the discrepancies in product design and communication. The mode of communication can create interest and desire for the consumer. A good mode of communication can generate great sales and thus lead to purchases. While an improper mode of communication lead to customer disinterest and non-purchases. Thus, the type of product design and communication helps consumers, manufacturers and retailers meet each other’s needs and wants. Besides, the type of communication, there is another gap that persists between the manufacturers, retailers and consumers.

GAP 4:
This gap answers the question of the degree to which the product is in conformance to its standards. The prior interconnectedness of the chain can lead to either a satisfaction or dissatisfaction of the consumer. The survey conducted showed that consumers are most likely to purchase those products which have labels attached to them, confirming them to the pre-defined standards set. The assurance that the product is of set standards allows the consumers to make a purchase as well as create an environment of trust and generates repurchases. Thus, the model so developed helps the retailers understand the psyche of the consumers and brings forth the possible prevalent gaps that exists between the manufacturer, retailer and the consumer.

Conclusion
The study helps understand the most important factors responsible for consumers’ green product purchase. The factors responsible for such behaviors were identified using survey method. This survey was undertaken by the use of both online and offline survey questionnaires. Thus, the output acquired from the survey was analyzed by the use of percentage analysis and chi-square. Further, the results were analyzed and suggestions were provided to the marketers and retailers. Thereafter, a gap model was formulated for the ease of the retailers and a
better understanding of consumer’s decision making process.

References


