

Green Retailing: A Study on the Attitude and Purchase Intention of Indian Customers

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Abstract: *Green Movement is transforming into the mainstream articulation of the current business world. Over the world, associations are making green strategies and hence are moving toward working up a low carbon scene. Retailing is as old as business, trade and exchange, currently has changed into new structures and courses of action. As the retail zone is very imperativeness raised, retailers are left with no choice yet to consider and grasp eco-pleasing practices. The retailers fill in as crucial touch point among producers and customers and own the commitment of offering green things and the greening of usage. Green Retailing (GR) suggests the organization approach that looks for after natural protection to improve the retail regard chain through abstaining from waste, extending efficiency and diminishing costs. Subsequently, it is noteworthy for the retailers to understand the wisdom and air of customers concerning the green image of the retailers. It intends to fathom the components that effect green buying behavior of customers under the green retail settings and how these green indications of store condition can affect buyer lead simply like their non-green accomplices in Indian setting. Data was obtained by the circulation of online surveys and through the usage of secondary source of data collection. Trustworthiness of biological cases, clients' understanding and perspective on green things, thing appears at retail stores, and cash related and advancing common sense of characteristic pleasing retail exercises were recognized as green retailing issues and troubles. Issues and incites express to Indian retailers were included. The assessment is compelled to Indian model, tends not to summarize the disclosures and doesn't have a depiction to retailing industry.*

Keywords: *Green retailing Purchase Intention, Individual Attitude, Green products*

I. Introduction

Green Movement is turning into the trendy expression of the present business world. Around the world, the vast majority of the parts have stirred to the consequences of the environmentalism blast, bringing about significant level open familiarity with environmental change and vitality proficiency. Organizations over the world are creating green procedures and are progressing in the direction of building up a low carbon scene and undertaking endeavors to streamline the carbon productivity of existing items and framework. Retail industry is one of the quickest developing and dynamic businesses on the planet. After the monetary stoppage, worldwide retail industry keeps on developing and top 250 retailers detailed an expansion in retail incomes. As indicated by Deloitte's report, 'Worldwide Powers of Retailing, 2014', almost 60 percent of the world's main 250 retailers are working in more than one nation; and out of these 147 retailers, 115 are having their essence in more than one sub-district. In light of their expanding financial weight, there has been a move in a critical position of intensity for the retailers. The result of the externalities created by their exercises is affecting society, condition and buyers' way of life (McGoldrick, 2002). Now and then, these retailers are reprimanded for their socially reckless strategic policies by different partners (Wagner, Bicen and. Corridor, 2008). In light of this current, Deloitte's report, Feeling the crush Global Powers of Retailing (Deloitte, 2009) recommends that out of the 250 most remarkable worldwide retailers, 66% of them have received one of the few standards of CSR in order to construct positive picture in the brains of different partners. Today retailers face difficulties of keeping the cost level low, expanding the efficiencies of flexibly chain, assembling their image, notoriety and picture and greening their activities. Retailers across overall are embracing green retailing techniques to improve their ecological exhibition and retail esteem chain (Tang, Lai, and Cheng, 6-7 Jan. 2011).

Green marketing in retail

In a highly competitive world like today, retailers find it very difficult to keep up with the fast moving trends. With a large section of the total population becoming health conscious, green marketing comes up as a great move to be adopted by the retailers to fix their sales and also to maintain the brand's goodwill. Many retail giants like IKEA, Apple, Nike, Walmart have come introduce new green and eco-friendly practices to attract the highly aware audience. Some of the green practices adopted by retailers are :- ditching paper bills and substituting them with technology, constructing the stores through green procedures, IKEA sources 100% of its paper, wood and cardboard from sustainable sources, H&M customers can get discounts buy recycling their clothes with the brand, it also makes jeans out of recycled clothing pieces. However, in consumer-focused markets, retailers also need to learn and understand the needs and wants of their buyers. They should also be very smart as to how, where, when and for what price these products are made available for the customers in these markets. Plus, customers are selective in their buying decisions and so a strong advertising campaign is necessary to track. So retailers have started using sales opportunity to draw new customers, recover loyal customers and raise buyback rates of probable customers.

II. Related Literature

The objective of the following literature review is to understand and analyze the current literature available pertaining to green marketing in the retail industry in relation to the Indian customer's attitude and purchase intentions towards the same. Literature review related to green retailing of other nations will also be looked at and gaps will be identified based on that. The tools used for searching relevant sources were Google Scholar, JSTOR and normal Google searches with the help of keywords related to the topic. Books journals and research papers were also used for the study

Akehurst et al (2012) reconsidered the determinants of Ecologically Conscious Consumer Behavior (ECCB) through structure customer profiles (socio-segment and psychographic segments). The examination additionally investigated about the determinant of powerful green buy conduct (GPB) through breaking down ECCB and Green Purchase Intention (GPI) from past examinations. For this reason analysts directed an online review and inferred that psychographic factors are more significant in portraying ECCB than segment ones, and there's a positive connection among ECCB and GPI. Likewise ECCB has more effect on GPB than GPI.

Philip Kotler (2011) perceived that the Companies need to roll out intense improvements in their innovative work, creation, money related, and advertising rehearses if maintainability must be accomplished. In any case, alongside supportability a few difficulties, for example, change in the organization of the air, consumption of the ozone layer, soil debasement and expanded desertification and expanded air and water contamination must be dealt with. Fortunately, Green advertising has come up as a novel idea which is attempted to be ecologically desirable over others. Green promoting joins a wide scope of exercises, including item alteration, changes to the creation procedure, supportable pressing just as adjusting publicizing. However, characterizing green promoting is certainly not a basic undertaking where a few implications cross and negate one another; a case of this will be the presence of changing social, natural and retail definitions appended to this term. Other comparable terms utilized are natural promoting and environmental showcasing.

According to **Ottman (1992)**, customers buy green items on the grounds that these are condition amicable however these items ought to be effectively accessible, ought to have great quality and reasonable price.(Ottman, 1992). Whereas **Roberts (1996)** clarifies that earth cognizant clients want to buy green items on the grounds that these items improve environmental exercises and weaken the awful impacts of different pollutants. (Robersts, 1996)

Polonsky (2011) states that the exercises identified with creation, utilization and use of assets with least awful impacts advance green showcasing and produce positive externalities.(Polonsky, 2011)

Soonthorsmai (2007) saw that the individuals who are progressively worried about natural issues, by and large, have an inclination to buy green items and this tendency is getting more grounded with section of time.(Soonthorsmai, 2007)

There are quite a variety of factors that are effective in motivating green consumers to purchase green retailed products. Throughout the years, comprehensive work has documented increased understanding of green issues; availability of information on environmental sustainability; green corporate advertising; environmental concern; growing adoption of green goods by charities of social and environmental value as different factors. This massive increase in the general environmental consciousness among the various consumers profile, attempts have been made by companies to "go green" by presenting the concept of enterprise (**Banerjee, 2003; Hay and**

Lichter 2000). Green construction is today known as incentives for business firms as incentives to boost their marketing position rather than behavior that needs to be executed.

Green buying intent is linked to the willingness of a person to buy and use goods that have environmentally friendly features only when purchasing criteria are dependent on product characteristics and country of origin of the company (**Nik Abdul Rashid, 2009**). However, green product quality such as specific details on the product ingredients, eco-labeling, brand presentation and general user-friendliness guarantee influenced customer green purchasing decision making (**Maniatis, 2015; Tseng & Hung, 2013**). Producers place green products' potential impacts in consumers' minds in order to invoke their decision to purchase (**Rex & Baumann, 2007, p. 567**) Consumers tend to intermingle their green experience and green-brand recognition attitudes when selecting a green product (**Matthes et al., 2013; (2014) Zhao et al.**)

2.1 Research Gap

Research gap was identified after review of relevant literatures about Green retailing industry in both global and national perspective. Many studies have been carried out about customer's attitude and their reasons for buying green products. However, there is no relevant study about the reasons that prevent customers from wanting to purchase green products. Hence based on above definition a research gap was clearly identified and objectives of the study will be settled based on the research gaps.

III. Research Methodology

The analysis in the paper is derived from the data collected through an online questionnaire that was constructed to understand the attitude of the Indian customers towards green products and also to understand the factors behind their purchase intention. Along with demographics and awareness, each question was included to gather data on the customer's attitude and its co-relation with economic characteristics, factors behind purchase intention. Responses were collected from 250 customers in a time span of 2 weeks.

Demographics consisted of gender, age, education qualification, occupation and monthly income. These categories were selected to have an understanding of how the customers are divided. Two very important questions were asked to understand the factors that are most responsible for customer's buying intention and also the barriers to purchase intention. Other than that, many other questions revolved around attitude and its correlation to the various economic characteristics, awareness mediums. One of the questions was asked to find which factor affects customers the most in purchasing green products. Options were "Belief that green products enhance quality of life", "Environmental Protection Responsibility", "gives high level of satisfaction", and "future concerns regarding climate change". Another question was asked of respondents to find the reasons they are likely to buy green products and they were asked to choose from "because it brings positive impact on environment", "used and liked by peers and family", "to express public preference", and "because they are good for the health".

Last two questions were directed towards factors that prevent customers from buying green products (barriers towards green retailed products) which had options like "price to high", "limited availability", "no benefits seen", "no proper awareness", and "feel that it makes no genuine difference". Respondent were also asked if the price of the green products were priced lower than the non-green one, would they buy it "yes" or "no" or "maybe"

3.2 OBJECTIVES OF THE STUDY

- i. To find Factors behind the purchase intention of Indian customers towards green marketed products.*
- ii. To find Barrier to green products. What prevents customers from purchasing green products*
- iii. To determine the Attitude of Indian customers towards green products.*

3.3 HYPOTHESIS

- H1: There is a close association between customer's attitude and their socio economic characters*
- H2: Future environmental concern is the biggest factor for customer's purchase intention*
- H3: High price of is a barrier to purchasing intent of green products*
- H4: Lack of proper awareness is a barrier to purchasing intent of green product*

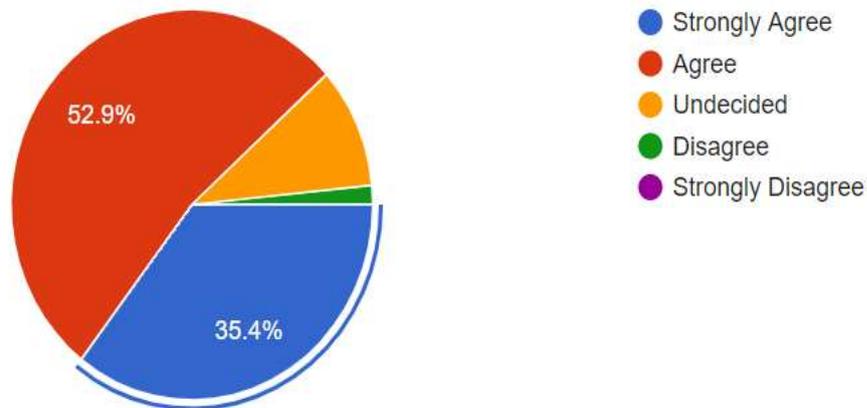
IV. Analysis And Interpretation

5.1 Table showing the attitude of Indian customers towards Green marketed product

| S.NO | PARTICULARS | FREQUENCY | PERCENTAGE |
|------|-------------------|------------|------------|
| 1 | Strongly agree | 89 | 35.4 |
| 2 | Agree | 132 | 52.9 |
| 3 | Undecided | 25 | 10.1 |
| 4 | Disagree | 4 | 1.6 |
| 5 | Strongly disagree | 0 | 0 |
| | Total | 250 | 100 |

Illustrations: From the above table, 52.9% of the respondents agreed that green products do create a positive impact on the environment which meant that majority of the respondents had a positive attitude towards green products. 35.4% of respondent strongly agreed that green products create a positive impact. However, none of the respondents out of 250 felt that green products can have a negative impact which means that the overall attitude was highly positive.

5.1 Chart showing the attitude of Indian customers towards Green marketed products



5.2 Table showing the socio economic characters and attitude towards green marketed products

| Socio economic characters | Chi-square value | P-value | Result |
|---------------------------|------------------|---------|-------------|
| Gender | 0.746 | .000 | Significant |
| Age | 3.121 | .001 | Significant |
| Education | 2.573 | .000 | Significant |
| Occupation | 2.532 | .000 | Significant |
| Monthly income | 3.586 | .001 | Significant |

Illustration: The chi-square test has been applied to discover the connection between financial character and customer's attitudes towards eco-accommodating items. It very well may be finished up from the investigation $p < 0.01$ that the invalid speculations is dismissed at one percent level of criticalness. Consequently, the invalid speculation holds great. This shows there is close relationship between financial character (monthly income) and customer's mentalities towards green item. Therefore, H1 is accepted.

5.3 Table showing the factors affecting the purchase intention of Indian customers

| Statement/factor | S.A | A | N | DA | SDA | Total |
|--|------------|-----------|-----------|-----------|----------|-----------|
| Future concern regarding climate change | 9 (34.6%) | 7 (26.9%) | 5 (19.2%) | 3 (11.5%) | 2 (7.6%) | 26 (100%) |
| Belief that green products enhance quality of life | 11(34.3) | 9 (28.1%) | 7 (21.8%) | 2 (6.2%) | 3 (9.3%) | 32 (100%) |
| Environmental protection responsibility | 10(33.3%) | 8 (26.6%) | 5 (16.6%) | 4 (13.3%) | 3(10%) | 30 (100%) |
| Gives high level of satisfaction | 13(37.1%) | 9 (25.7%) | 4 (11.4%) | 7 (20%) | 2 (5.7%) | 35 (100%) |
| Use/liked by peer or family | 10(31.25%) | 8 (25%) | 5 (15.6%) | 6(18.75%) | 3 (9.3%) | 32 (100%) |
| To express public preference | 8 (22.2%) | 11(30.5%) | 7 (19.4%) | 6 (16.6%) | 4 (11.1) | 36 (100%) |
| Because it'll bring positive impact on the environment | 1(35.7%) | 7 (25%) | 5 (17.8%) | 4 (14.2%) | 2 (7.1%) | 28 (100%) |
| Feel they are good for health | 9 (29.0%) | 7 (22.5%) | 6 (19.3%) | 5 (16.1%) | 4(12.9%) | 31 (100%) |
| Total | 80 (32%) | 66(26.4%) | 44(17.6%) | 37(14.8%) | 23(9.2%) | 250(100%) |

Illustration: From the above table, it can be seen that majority of the respondent 37.1% of respondent strongly feel that they are likely to buy green product because it gives them a level of satisfaction. 35.7% respondent strongly agreed that because green products will bring positive impact on the environment and 34.6% are likely to buy green products because they of the future concerns regarding climate change. These three were the top factors that affect customer purchase intention. Since, future concern for the environment is not the top most reason behind customer’s buying intention, H2 is rejected.

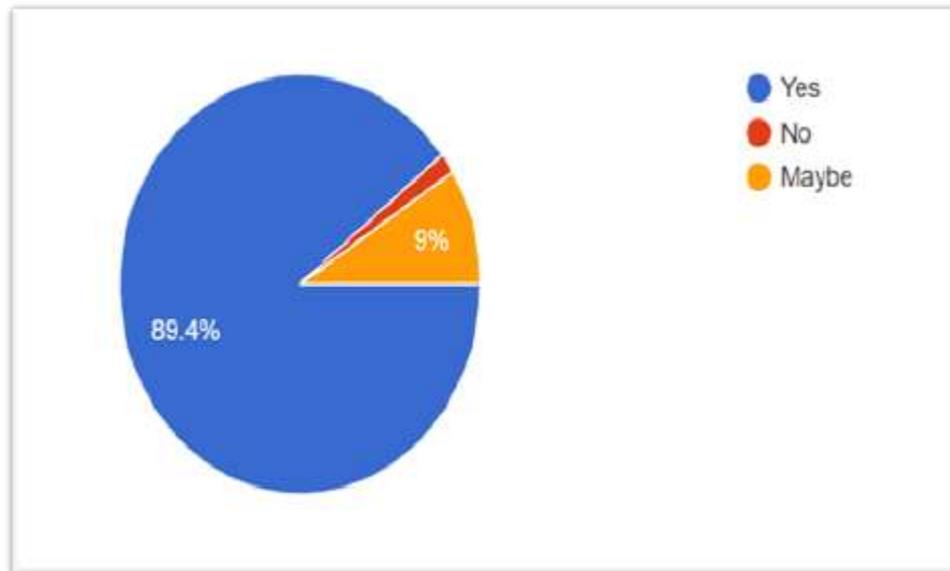
5.4 Table showing the biggest barriers to purchasing green retailed products

| S.NO | Barrier | Mean score | Rank |
|------|--|------------|------|
| 1 | High price | 62.58 | 1 |
| 2 | Happy with the non-green products | 56.5 | 7 |
| 3 | Doubts about performance ability | 58.82 | 5 |
| 4 | Uncomfortable to use | 57.47 | 6 |
| 5 | No proper Awareness | 60.46 | 3 |
| 6 | Limited availability | 61.29 | 2 |
| 7 | Don't make genuine difference to the environment | 51.48 | 8 |
| 8 | Not marketed well | 59.36 | 4 |
| 9 | I'm not environmentally friendly | 50.52 | 9 |

Illustration: After applying garret ranking to the data, it was found that high price was the biggest barrier to customer’s purchase intention towards green products. Hence, H3 is accepted. Second to price was limited

availability. And the third reason which prevented people from buying green products was lack of proper awareness which means low awareness is a barrier to purchase intention of green products. Therefore, H4 is accepted.

Further, respondents were asked whether they would be willing to buy green products if they are priced lower than their customary one, and 89.4% of the respondents answered with a “yes”, 9% with a “maybe” and only 1.6% responded with a “no”.



V. Conclusion

The work in this paper was carried out to analyze the attitude and the purchase intention of customers in India towards green products that are marketed and sold by retailers. To avail the required data, a questionnaire was constructed that further helped in understanding how the Indian customers tend to react and behave towards green retailed products. Turning first to the findings of the relationship between customer attitude, environmental consciousness, appearance consciousness and health consciousness were found to be important in predicting consumers' attitudes and purchase intention toward green products. While various factors prevented people from intending to purchase green products, however, high price and limited availability of green items were seen as major factors. The concept of green marketing is still a modern phenomenon and according to First and Khatriwal (2008), there is much too much to observe. Nonetheless, a number of studies listed above clearly indicate a rising consciousness among consumers about brands and products that are environmentally friendly. Brands are capable of triggering a shift in the perceptions of customers. Similarly successful promotional campaigns have the potential to trigger a change in customers willing to pay green buying habits at a premium price for sustainable goods. Lastly, since more and more customers are turning to green lifestyle lately, green retailers must find out ways in which they can eradicate the factors that the stopping rest of the population from wanting to buy their product.

The responses that were received and the data that is collected only represent a very small part of the larger population and hence they can only be used to understand the attitude and purchase intention of a limited sample size.

The results and analysis derived from this study can help other retailers in understanding what it is expected off of them by the Indian customers which can further be used to polish the marketing techniques of the retailers. Moreover, since high price is reflected as major reason for people not wanting to buy green products, cutting down the cost of marketing and advertising the products to make them widely available for lesser price can be a helpful recommendation.

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