

Environmentally Responsive Consumption Among Indians: An Exploratory Study

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Abstract

An environmentally responsible consumer or green consumer is one who avoids consumption of products that are likely to “endanger the health of the consumer or others; cause significant damage to the environment during manufacture, use or disposal; consume a disproportionate amount of energy; cause unnecessary waste; use materials derived from threatened species or environments; involve unnecessary use – or cruelty to animals; adversely affect other countries”. In the developed economies this has been successfully tested such as The Body Shop’s “Trade Not Aid” campaign illustrates the concern of some consumers about the fair trade aspect of the products they purchase. The aim of this research is to investigate the factors contributing to the development of environmentally conscious consumption among Indian young consumers. Economic development coupled with liberalization brought wide choices for consumption to the Indians. The retail, telecom and IT revolution among many others have seen the upsurge of a consumption era in the Indian scenario. Now various concerns for the environment are being highlighted and young consumer’s students studying in colleges and universities are being motivated to be conscious of the environmental impact of their consumption. A compulsory course in environmental studies has also been launched to increase the awareness of students at the university level again as these young consumers now make independent consumption choices. This study aims to empirically investigate how consumers who differ in terms of environmentalism behave in terms of their consumption habits.

The data were collected on an INDIAN sample using a structured questionnaire administered in the university premises. A total of 186 questionnaires were completed and used for data analysis. The data were analyzed using both descriptive measures and correlations between the variables. The findings have been presented and discussions and implications for managers drawn. The paper contributes to better understanding of green customers purchase intentions. It offers some insights and assistance to businesses in planning their green product targeting strategies.

Keywords: - Green marketing, Consumer behavior, Environmental issues

Introduction

Environmental consciousness has become a global issue. The developed nations are poised to make emissions lower, develop environmental friendly goods and the developing nations are being forced to look at the consequences of not being environmentally responsible.

There is widespread public acceptance of the global environmental crisis and this is causing a positive shift to the environmental movement. For marketers, environmentalism has become a criterion influencing consumer purchase behaviour. In North America, 60 per cent to 90 per cent of consumers are concerned about the environmental impact of their purchase, but this trend is at a very nascent stage in the developing economies like India. As a group, environmentally responsible products have obtained market share between 20 per cent and 30 per cent in a number of retail product categories across the world. Environmentally responsible consumption emanated from criticism that the marketing concept ignored the impact of individual consumption upon society as a whole and today with rising levels of consumption of lifestyle goods like air conditioners, cars, refrigeration products and many more such products the government, consumers, and business have been forced to consider the environmental costs and benefits when making consumption decisions. It is being suggested that consumers should reduce their consumption of resources in scarce supply and substitute their current products for ones that are ecologically less damaging. Webster (1975) defined a socially conscious consumer as a consumer who takes into account the public consequences of his or her private consumption or who attempts to use his or her purchasing power to bring about social change. That is, consumers incorporate social issues into their purchase decisions by evaluating the consequences of their consumption upon society. Consumers who consider the environment to be important will therefore evaluate the environmental consequences associated with the purchase of a product. For example, an individual concerned about the amount of garbage generated (an environmental issue) could consider the disposal of a product's packaging (an environmental consequence) to be important when shopping for products. If the environmental consequences are important enough to the consumer, the result may be the purchase of an environmentally responsible product. These products not only satisfy a consumer's immediate needs and wants, but also serve to benefit the environment in the long term.

Review of Literature

While consumers' environmental concerns have moved into mainstream marketing, it is useful from a marketing perspective to investigate how consumers make informed choices about green products. Extant research indicates that some environmentally safe claims have been misinterpreted by the customer or were identified as being misleading and false (Chase and Smith, 1992). Additionally, it

had been observed that while some products had given the impression that the whole product was eco-friendly, only a small component of the product had an environmentally benign attribute (West, 1995). At the same time, some of the environmentally safe claims seemed misleading because the interpretation of the claims varied depending on the context it had been presented (Hastak et al., 1994). Environmental labels act as a guide for consumers to choose products that are environmentally friendly. It is often used by businesses to differentiate their products, position them and communicate the environmentally friendly message (D'Souza, 2000). There are a number of ways by which marketers convey environmental benefits of products, one is through general or specific product claims on product labels, for example, "eco-friendly", "environmentally safe", "recyclable", "biodegradable" and "ozone-friendly" (Morris et al., 1995). Environmental knowledge evolves in two forms, one being that consumers have to be educated to understand the general impact of the product on the environment and the other is consumer knowledge in the product itself being produced in an environmentally friendly way. As long as there is consumption there will be pollution, zero pollution is not possible, but pollution is allowed within permissible limits. If a consumer has knowledge about the environment and pollution promulgation, the causes and impact on the environment, then their awareness levels would increase and thus would, potentially, promote a favourable attitude towards green products. It is the duty of the marketer to disseminate that information either through symbols or claims on labels as to the type of environmental benefits the product has to offer. A green purchase intention, arguably, depends on consumer's selflessness and the way they can be motivated. Knowledge on environmental issues tends to create awareness in brands and possible positive attitudes towards green brands, while environmental labels may assist in identifying green product attributes. The conventional consumers are defined as being non-green consumers and do not have any regard for environmentally friendly products. This group of consumers perhaps would not see environmental risks associated with products they buy. They largely ignore the potential benefits of green products. This group of consumers would not consider green labelling (D'Souza, 2004). However, this segment cannot be totally dismissed, as they could still be potential future market participants. The emerging green consumers are defined as those consumers that regard the benefits of green product but may not have any motivation to purchase them. For these consumers any brand will do, hence there is no environmental information search involved when it comes to choosing their brands and green product labelling may not be meaningful to them (D'Souza, 2000). These consumers would perhaps trade off product attributes such as quality, warranty and performance in their product alternatives evaluation and selection process. Since, these consumers' segments do not demonstrate need or

interest in ecological product labels they were excluded from this study. Our attention was mainly directed to the following two consumer segments as they contribute to the demand for green products. The environmentally green consumers are defined as those consumers that are highly environmentally concerned and are characterised as buying green products whenever they see an opportunity to do so. They are consumers who will check through label information seeking environmental justification for the product (D'Souza, 2004). In other words, it has been suggested that these are the consumers who would be motivated to buy green products even if they were somewhat lower in quality and higher in price in comparison to alternative products. These are consumers who will make an effort to buy products that favour the environment. These consumers are often known as "ultra-green" who are the driving force of environmentalism (Volsky et al., 1999). Although consumers do not always base product decision on environmental attitudes, it appears that it is gradually becoming a more prominent factor among other selection criteria (Ireland, 1993). At the same time, it has been suggested that the more involved consumers become with the environment, the more likely they would purchase green products (Schuhwerk and Lefkokk-Hagius, 1995). Based on this suggestion, it can be anticipated that while environmentally green consumers will be inclined to buy green products even if lower in quality, they will be intentionally in search of environmental justification (such as biodegradable, recyclable) on product labels. This increased environmental awareness has had consequences for consumer behaviour, namely on green purchase intention. More specifically, it is suggested that consumers with a high level of environmental awareness are more likely to have an environmentally friendly behaviour (Sheltzer et al., 1991). However, some years later, some authors argue that although many consumers claim they care about the environment, their buying behaviour does not always reflect this preoccupation (Kalafatis et al., 1999; Gardyn, 2003). In 1992 a study by Nielsen revealed that four in five consumers have expressed their environmental concerns through their purchasing behaviour (Marketing, 1992). More recently, The National Geographic and GlobeScan published the results of the Greendex third edition (2010), a study which evaluates the sustainability of international consumerism. This study, which includes a survey of 17,000 consumers from 17 different countries (Brazil, Mexico, Argentina, the USA, Canada, Spain, France, The UK, Germany, Sweden, Hungary, Russia, South Korea, China, India, Japan and Australia) reveals that consumers are very concerned about the environment and this has an impact on their daily consumer preferences. Ecologically conscious consumers are defined as individuals who seek to consume only products that cause the least – or do not exercise any – impact on the environment (Roberts, 1996). According to Hailes (2007), a green consumer is one who associates the act of purchasing or consuming products with the possibility of acting in accordance with environmental preservation. The green consumer knows that by refusing to purchase products

that are harmful to the environment, she/he is contributing to environmental preservation. Therefore, according to this author, green consumers avoid purchasing products that they perceive as risky to health, harm the environment during production, use or final disposal, consume much energy, have excessive packaging, and contain ingredients coming from threatened habitats or species. Other studies have also shown that women tend to be more environmentally conscious than men (Banerjee and McKeage, 1994). However, it has been found that only men were more willing to pay more to control air pollution and Balderjahn (1998) stated that the relation between attitudes and use of environmentally conscious products was more intense in men than in women.

Objectives of the Paper

The research objective of this study is twofold:

- (1) To re-examine the determinants of ecologically green consumer behaviour (ECCB) by analysing the green consumer profile (socio-demographic and psychographic variables) of young consumers in India.
- (2) To explore the determinants of effective green purchase behaviour (GPB) considering ECCB and green purchase intention (GPI) among young Indian consumers.

The reason of choosing these young consumers was that they are the ones who are going to be change makers and shall be responsible for concrete efforts to encourage environmentally responsive consumption.

Methodology

The environmentally responsible consumption behaviour (ERCB) scale (Stone, Barnes and Montgomery 1995) was used to gather data from university students studying in a management program that comprised of both undergraduate and post graduate students. These students had also undergone a compulsory course on Environmental studies in their first semester of studies which aimed at enhancing their awareness of the environment and promoting environmental consciousness in their purchase and consumption decisions.

The data collection using the survey instrument was done on a convenience sample of university students as discussed above.

We obtained a convenience sample of 186 respondents: 62.9 per cent were females and 37.1 per cent were males; Over 58.1 per cent of the respondents were equal to or below 23 years old and 41.9 per

cent were between the age of 18 and 20. The majority of the respondents' net family monthly income ranged between 50000.00 and 100,00.00. Over 59.1 per cent of the respondents were graduates, and 30.1 per cent were undergraduates.

Results

The ERCB was measured by 31-items in a Likert-format, anchored by “Always True” (5) and “Never True” (1) and calculated as a sum of the responses to the 31-items scale (with appropriate items reverse scored). The ERCB's reliability is very good: Cronbach's alpha coefficient was 0.928.

To analyse Objective 1 we used the following analysis, a sample profile is presented below and then the ERCB is measured across the demographic measures of age, gender, education and family income per month.

Sample Profile

Characteristics		%	Frequency
Gender	Male	44.6	83
	Female	55.4	103
Age (in yrs.)	17-20	42.5	79
	21-23	44.0	82
	>23	13.5	25
Highest Education	School education	41.9	78
	Graduation	45.2	84
	Post graduate diploma	12.9	24
Family Income per month	Up to Rs. 50000	41.9	78
	50000- 100000	39.3	73
	>1000000	18.8	35

AGE AND ERCB

Age Group (in yrs.)	ECRB Mean *	N	Std. dev.
17-20	138.8	79	9.504
21-23	131.7	82	13.802
>23	125.6	25	9.316

* ANOVA values between groups significant at 1%

CORRELATION BETWEEN AGE AND ERCB

		Age
ECRB score	Pearson correlation	-.247*
	Sig. two tailed	.001
	N	186

* Correlation is significant at .01 level

GENDER AND ERCB

Age Group (in yrs.)	ECRB Mean	N	Std. dev.
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Male	126.45	83	11.32
Female	132.24	103	11.39

GENDER WISE ERCB COMPARISON AMONG DIFFERENT AGE GROUPS

Age Group	Gender	Mean	N	Std. Dev.
17-20	Male	134.8	34	6.83
	Female	142.6	45	9.42
21-23	Male	124.8	40	12.2
	Female	138.8	42	13.5
>23	Male	122.6	14	11.42
	Female	128.2	11	8.56

INCOME AND ERCB

Family Income per month	ECRB Mean *	N	Std. dev.
Up to Rs. 50000	139.8	78	.936
50000- 100000	128.6	73	1.204
>1000000	119.6	35	.956

* ANOVA values between groups significant at 1%

EDUCATION AND ERCB

Education	ECRB Mean	N	Std. dev.
School education	136.8	78	.936
Graduation	125.6	84	1.204
Post graduate diploma	118.9	24	.956

In order to test objective 2 we performed a multiple linear regression used with ERCB as the dependent variable and socio-demographic variables (age, gender, family income, and education) as predictors.

The assumptions of the multiple linear regression were analysed and confirmed. The model explains 72.2 per cent (R^2) of the total variance and is significant.

REGRESSION COEFFICIENTS

	Regression coefficient	Beta	Significance
Constant	117.931		.000
Age	-2.152	.083	0.385
Family income	-3.433	-0.101	0.322
Education	-1.684	-0.067	0.410
gender	-2.147	-0.061	0.439

Conclusions

Urbanisation is today emerging as a significant influence of ERC behavior. Age and income are the other significant determinant of ERCB, but, there is negative relationship between them, meaning thereby that young Indian respondents are more promising in their concern for sustainable growth. Interestingly, young female population is showing greater concern for ERC behavior over their male counterpart. Income is another determinant but inversely relates with ERC behaviour, infers that laggards on income continuum are the younger ones and it thus confirms the earlier fact of their concern for sustainable living. The marketers need to focus their social responsible activities and green product on young consumers and more particularly on the female population. It will create loyal segment for gaining competitive edge in the market place. Similarly, the policy makers need to promote urbanization for sustainable living and creating awareness of clean-green living. That is the way the sphere of hygiene and cleanliness can be enhanced besides creating value for the nation.

Discussion and Implications for Managers

The implication derived from the above analysis also has an impact in a number of areas. The results indicate that consumers have a positive attitude towards the environment, they demand green products, and they attempt to read environmental labels. Thus, in order to encourage this environmentally responsive consumption companies in India should make a strategic effort. The least contributor to this overall model is the aspect of "Green products". The major component for this construct, is that consumers perceive that well known brand as always as safe products to buy, and that these contribute positively to overall to the perception of green companies. They will not purchase green brand if lower in quality and higher in price. This is in consistent to prior research as well as the Euro barometer's survey conducted in 2008 (Euro barometer Report, 2008).

Who are the "green consumers"?

If, for the time being, we assume that environmental campaigners are strange beings from another planet, then "green consumers" are ordinary folk who believe that businesses have a vital role to play in the "... struggle to preserve the environment". Most importantly, it is not stated concerns about the environment that matter but the degree to which the individual consumer believes that his or her actions are likely to make a difference.

We have focused on trying to identify the factors that predict whether a person will undertake "environmentally conscious consumer behaviour". And, as is often the case with segmentation models, we find that demographics are a pretty blunt tool. The traditional view of the "green consumer" - founded on demographic analysis - simply provides a direction but not a concrete

methodology to target them. here we shall need observational research to further provide confirmation to the findings.

Environmentalism and Responsible Consumption

One of the ironies about the term "green consumer" is that our consumer society is one of the pet hates of environmentalists. It is our desire for the gratification of consumption that drives environmental destruction. Being an environmentally responsible consumer means either buying things that don't damage the environment (or do less damage than other alternatives) or else reducing one's personal impact on the environment. Straughan and Roberts report that expressions of environmental concern do not make for a "green consumer". Although individual "green consumers" will undoubtedly express concerns about "green" issues this is not the motivating force for environmentally conscious consumer behaviour. Even when people accept the belief that we are destroying our environment they do not necessarily take the view that there is anything they can do about the problem.

Promoting Environmentally Responsive Consumption

Perhaps one solution to this problem lies in communicating to people that the world's environmental problems result, at least partly, from the desires of ordinary consumers. However, for the environmental campaigners this presents a problem since it implies that they have to criticize the very folk whose donations enable them to carry on the fight. It's one thing to attack governments, commercial agriculture or big oil companies but quite another to tell ordinary people that they are the problem. One possible risk from this type of communications strategy is that people will begin to listen to the critics of environmentalism and ask whether it's really quite as bad as the "green" campaigners like to make out. What happens if people start to tell the environmentalists that it isn't excess packaging that's the problem in landfills but stuff that rots to form toxic waste What happens when people say that more energy is used and more waste generated in making recycled paper than is used to make paper from virgin wood pulp? At the moment we marketers have a pretty easy job. We have to persuade people who buy our products or use our services that doing so is environmentally responsible. And this means reducing our packaging, using recycled materials and making plastics biodegradable. Such actions reflect current beliefs among "green consumers" although we do need to continue to keep abreast of developments in environmental thinking. It is imperative that businesses adopt environmentally responsible practices. Not, as I said at the start, in order to save the planet, but

in order to maintain the consumer society on which our comfortable lives depend. So long as environmentalism remains in the ascendancy, the numbers of "green consumers" will grow and our continued business success will depend on serving those consumers. In a free market we are servants of the consumer and, therefore, what those consumers want determines the products we produce and, increasingly, the way in which we manage the processes of our business.

Scope for Future Research

The study does not intend to provide any final resolution but to lay the foundation on consumer perception of green companies. In the terms of academic research, this research forms the basis for further in-depth studies. The research provides policy makers with an over view of the need, importance and some customer insights into the environmentally responsive consumption. Although companies in India have started to look at environmental concerns, more support is required by the government. Further research is required in terms of what type of environmental responsibility should companies and the government takes? While Marketers have the opportunity to communicate and promote the environmental message on the labels, since most consumers tend to read labels, more on environmental messages needs to be addressed by manufacturers. With regards to green products, as consumers are not willing to trade-off on quality but are willing to pay a higher price, quality should be strongly emphasised. Further research can look at environmental responsive consumption across states in India, compare metro towns with non metro towns and between the geographic directions of the country as this will provide useful insights into this area.

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