
A Study on Consumer Behavior towards Purchase of Eco-Friendly Products

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Abstract

Environment friendly products and green marketing has become a highly attractive subject. Corporate are constantly trying to find the best way to reach the customers with their green message. Customers and businessmen are depending more on environment and have started to pay more attention to the protection of environment. This paper aims to find out the effect of eco friendly products on consumers buying behaviour. To promote eco friendly products and green market it is imperative to conduct a research study. A research study was conducted in Guntur city selecting a sample of 100 green consumers. The data was collected through structured questionnaire. The objectives of the study are (1) to study the consumer behavior towards purchase of eco friendly products in Guntur, Andhra Pradesh, (2) to find out the factors influencing the consumers purchase decision of eco friendly products and (3) to sort out the problems faced by the green consumers. To achieve this research objectives a research methodology was framed. The research design is both descriptive and analytical. The data was analysed with the help of statistical tools like percentage, average, chi square, and likert scale technique. From the interpretation results were derived. Findings were summarized and presented. Suggestions were given. From the research study it is found that the most of the consumers in Guntur are aware of environmental problems and green products in the market. There is a positive attitude and behaviour towards eco friendly products. The green consumerism gains momentum in Guntur.

Keywords: *Consumer Buying Behaviour; Eco-friendly Products; Problems of Green Consumers.*

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Introduction

Many people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics especially in his buying decision. Green marketing or environmental marketing refers to ecological products such as healthy food, phosphate free, recyclable, refillable ozone friendly, and environment friendly. There are some of the things consumers most often associate with green marketing.

According to Pride and Ferrell (1993), "Green marketing also alternatively known as environmental marketing and sustainable marketing refers to an organisation's efforts at designing, promoting, pricing and distributing products that will not harm environment".

Consumers are becoming more interested in environmentally friendly products, raising the demand against a limited supply. The limited supply may be associated to the lack of clear understanding among Guntur marketers on consumer's attitudes and behaviours towards this emerging phenomenon. The success of producing eco friendly products will depend on whether consumers will accept the products or not. Uncertainties of marketing eco friendly products discourage farmers to produce green agriculture products. Consumers will be interested to buy those products if they find those cheap. In this case, our research study will help the marketer to know the fact about eco friendly products whether those will get market or not and consumers will appreciate those positively or vise versa.

Challenges of Green Marketing

Implementing green marketing is not going to be an easy job. The firm has to face many problems while trading products of green marketing. Challenges which have to be faced are listed as follows:

- Green marketing encourages green products / services, green technology, green power energy.
- The firm ensures that they convince the customer about their green product, by implementing Eco-labeling schemes. Eco labeling schemes offer its "approval" to "Environmentally harmless" products and they are very popular in Japan and Europe. Convincing the Indian customer's is a great challenge.
- The profits will be very low since renewable and recyclable products and green technologies are more expensive. Green marketing will be successful only in long run. Many customers may not be willing to pay higher price for green products which may affect the sales of the company.

Integrating Environmental Life Cycle Consideration in Product Design

The customer's perception alone is not changed. The product design and product life cycle are also integrated with the environmental consideration. Customers prefer products that are environmentally friendly. Customer products targeted at the environmentally conscious market include phosphate-free detergent, recycled paper products and organically farmed foods. Customer's oriented organization would readily switch to environmentally friendly products if there was demand for such products and customers are willing to pay the price premium.

Rationale of Research Study

Green marketing will be successful only if the marketer understands the green consumer behaviour. Hence it is essential to conduct a research study on the consumer behaviour of green consumers and find the factors influencing of consumer behaviour. So a research was conducted to find out the impact of eco-friendly products on consumer behaviour in Guntur District.

Objectives of the Study

- To study the consumer behavior towards purchase of eco friendly products in Guntur District, Andhra Pradesh.
- To examine the factors influencing the consumers purchase decision of eco friendly products in Guntur District, Andhra Pradesh and
- To find out the barriers resisting free flow of the eco friendly products in the market and offer suggestions.

Research Methodology

Research Design

Research design is both descriptive and analytical.

Sampling

Purposive random sampling method was followed. A sample of 100 consumers of eco friendly products in Guntur was selected among green consumers.

Source of data

Primary data was collected through structured questionnaires, with the intention of representing the population properly, the sample is distributed

among consumers. Secondary data is collected through internet, magazines, relevant books, journals, and newspaper.

Area of the Research Study

Guntur city was selected as it is a commercially vibrant and industrially progressed city with a well developed agricultural sector also it is the educational hub of Andra Pradesh with advanced health care centres. The transport and communication system is a well developed one here. The public are having good purchasing power and have reasonable educational qualification. They are aware of green products and their benefits. Hence this city was selected as the research study area.

Research tools

Descriptive statistics (Mean, Percentile), chi-square test and likert scale technique.

Findings

The collected data was analyzed and interpretations were made.

Percentage Analysis

Table 1. Socio economic Profile of the Sample customers

S. NO	CRITERIA	NUMBER	%
	GENDER		
1	Male	59	59
2	Female	41	41
	AGE		
3	Below 20	4	4
4	20-30	23	23
5	30-40	56	56
6	Above 50	17	17
	OCCUPATION		
7	Business	21	21
8	Government	14	14
9	Private	39	39.1
10	House wife	15	5
11	Others	11	11
	MONTHLY INCOME		
12	5000-10,000	7	7
13	10,000-20,000	46	46
14	20,000-30,000	20	20
15	30,000- 50,000	16	16
16	Above 50,000	11	11

Table 1 shows the socio economic profile of Sample customers. Majority are males (59%) ranges from 30-50 (56%) age group. Mostly works in private sector (39%) in the sample. Most of the consumers belong to 10,000-20,000 (46%) income group.

Table 2. Source of Awareness

S.NO	SOURCE	NUMBER	%
1	Friendship	49	49
2	Internet Newspaper	19	19
3	TV	21	21
4	Others	3	3
5		8	8

Table 2 shows the source of awareness of sample customers. The major media promoting awareness is friendship and newspaper advertisement.

Table 3. Frequency of Purchase

S. No	Frequency for the Eco-Friendly Product (Amount Spent for One month)	Number	%
1	Below Rs 1,000	11	11
2	Rs. 1,000-5,000	66	66
3	Rs 5,000-10,000	17	17
4	Above Rs 10,000	6	6

Table 3 shows the frequency of purchase by sample customers. Majority had spent for one month an amount of Rs 1000-5000 (42%). Only 6 (6%) had spent above 10000 in a month.

Table 4. Purchase of type of Eco-friendly products

S. No	Type	Number	%
1	Organic vegetables	47	47
2	Food products	37	37
3	Cosmetic(herbal)	9	9
4	Toiletries	1	1
5	Fabric	6	6

Table 4 shows the purchase of type of Eco friendly products. Majority of respondents purchase Organic vegetables (47%) only.

Table 5. Factors influencing the customers purchase decisions of Eco friendly product

S.No	Factors	NUMBER (multiple response)
1	Quality & Reliability	85
2	Environment & ambience	12
3	Shops Availability & Proximity	7
4	Promotional efforts	6
5	Price reasonable	8
6	Variety & quantity	17
7	Popularity of shops	8
8	Customer services	13
9	Friendship advice	9
10	Package, size and design	9
11	Advertisement(shop & product)	3
12	Benefit for health	89
13	Brand popularity	6
14	Govt support	0
15	Consumer awareness of green product	14

Table 5 shows the factors influencing the consumers purchase decision of Eco friendly products. Major factor is Benefits for health (89%) and Quality and Reliability of products (78%), Variety & quantity (17%), Environment & ambience (12%) etc.

Table 6. Problems in Purchasing Green Products

S.No	Problems	Number	%
1	High price relatively	39	39
2	Lack of awareness	20	20
3	Lack of green product shops	29	29
4	Reliability on Quality	12	12

Table 6 shows the problems faced by customers in purchasing Eco friendly products. Majority say green products are relatively expensive (39%).

Table 7. Likert Scale Technique for 'Eco friendly products are beneficial'

S.NO	Numbers	OPINION LIKERT [X] SCORE[Y]	[X] * [Y]	Rank
1	40	Strongly agree		
2	53	Agree	5 200	II
3	6	Neutral	4 216	I
4	1	Disagree	3 18	III
5	0	Strongly disagree	2 0	IV
			1 0	V

Table 7 shows Eco friendly products are beneficial. Majority of respondents (No.53-Score 212) agree and got rank I. Around consumers (No. 40-Score 200) strongly agree and placed in rank II. It shows that 93% are positive, either agree or strongly agree about benefits of eco-friendly products.

Chi-Square Analysis

Income and Amount spent for one month:

Null Hypothesis: There is no significant relationship between the Income and Amount spent for one month.

In order to find the relationship between the Income and Amount spent for one month, the chi-square test is used and the result of the test is shown in the following table.

Table 8. Income and Amount spent for one month (CHI – SQUARE TEST)

Factor	Calculated Chi-Square Value	Table Value	D.F	Level of Significance	Remarks
Amount spent for one month	46.9047	21.0	12	5 %	Significance

It is clear from the above table that the calculated chi-square value is more than the table value and the result is significant at 5 per cent level of significance. Hence, the hypothesis "Amount spent for one month and Income", does hold well. From the analysis, it is concluded that there is significant relationship between amount spent for one month and Income. Hence null hypothesis is rejected.

Income and Types of purchase:

Null Hypothesis: There is no significant relationship between the Income and Types of purchase.

In order to find the relationship between the Income and type of purchase, the chi-square test is used and the result of the test is shown in the following table.

Table 9. Income and Types of purchase (CHI – SQUARE TEST)

Factor	Calculated Chi-Square Value	Table Value	D.F	Level of Significance	Remarks
Type of purchase	17.83667	26.1	16	5 per cent	No Significance

It is established from the above table that the calculated chi-square value is less than the table value and the result is not significant at 5 per cent level of significance. Hence, the hypothesis “type of purchase and Income”, does not hold well. From the analysis, it is concluded that there is no significant relationship between types of purchase and Income. Hence null hypothesis is accepted.

Occupation and Amount spent for one month:

Null Hypothesis: There is no significant relationship between the occupation and Amount spent for one month.

In order to find the relationship between the Occupation and Amount spent for one month, the chi-square test is used and the result of the test is shown in the following table.

Table 10. Occupation and Amount Spent For One Month (CHI – SQUARE TEST)

Factor	Calculated Chi-Square Value	Table Value	D.F	Level of Significance	Remarks
Amount spent for one month	14.4566	21.0	12	5 per cent	No Significance

It is proved from the above table that the calculated chi-square value is less than the table value and the result is not significant at 5per cent level of significance. Hence, the hypothesis “Occupation and Amount spent for one month”, does not hold well. From the analysis, it is concluded that there is no significant relationship between Occupation and Amount spent for one month. Hence null hypothesis is accepted. Whatever be the occupation they will spend the amount required for green products.

- In nutshell, the finding reveals that the majority of sample green customers are males (59%) hails from (56%) 30-50 age groups.
- Most of them (60%) are in business and private sector and belongs to Rs. 10000-30000 income groups (66%).
- Major source of awareness of sample customers are friends (49%). Majority of the customer's frequency of purchase for one month is Rs 1000-5000(66%). Only 6 (6%) had spent above 10000 in a month. Major factors influencing the consumers purchase decision of Eco friendly products of sample customers is Benefit for health (89%) and Quality and Reliability (85%).
- Majority of respondents purchase the type of Eco friendly products is organic vegetables (47%).
- Major problems in purchasing Eco friendly product of sample customers is high price (39%).
- Majority (93%) of respondents "strongly agrees" that Eco friendly products are beneficial.
- Majority (94%) of respondents enjoy high level of satisfaction in Eco friendly products.
- Chi square results show that there is significant relationship between the income and amount spent for one month. There is no significant relationship between the income and type of purchase. There is no significant relationship between the occupation and Amount spent for one month. Whatever be the occupation they will spend the amount required for green products.
- Good awareness programme will motivate consumer go green and reduction in price of green product will enhance sales.

Conclusion

One thing is being reiterated is that the current consumption levels are too high and are unsustainable. Hence there is a need for green marketing for shift in the consumer's behaviour and attitude towards more environmental friendly life styles. Public are beginning to realize their role and responsibilities towards the environment. Although the change is not happening quickly, it is happening. Business is looking towards gaining an edge in the green market industry by trying to re-design and re-packages their products into more environmental friendly products. Consumers are willing to pay a little extra price towards green products, organizations are taking notice of the

demand and behaviour and attitude of the consumers. This research study on the “a study on consumer behaviour towards purchase of eco friendly products in Guntur” throws light on the consumer’s attitude. The factors influencing their purchase are benefit for health, quality and reliability, Variety and quantity, environment and ambience, customer services and friendship advice etc.

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Need for Comprehensive Competency Building in the Knowledge Economy

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Abstract

Competencies or skills are the most important factors for the people in an organization, irrespective of an established firm or a startup firm. We can categorize competencies or skills across five different dimensions namely – Domain, Technical, Functional, Process and Behavioral Skills. Normally, we will find people possessing one or two of these skills as an expert in a specific area or job function, by virtue of their learning or work experience. However, this would not be sufficient or scalable in the long run. Organizations need to invest in comprehensive competency building for their people or employees, which involve building their skills across each of the five different dimensions of competencies namely – Domain, Technical, Functional, Process and Behavioral Skills. This paper covers the need for Comprehensive Competency Building in the Knowledge Economy, along with the key challenges and best practices, based on my learning and experience.

Keywords: *Competency, Development, Learning, Skills, Training.*

Introduction

Entrepreneurship and Innovation are critical success factors in the Knowledge Economy, apart from Employee Productivity, Customer Satisfaction and Business Growth. People or Human Capital forms the core of any of initiative, in an organization, be it R&D, Project, Sales or Service, to name a few. Today's world is driven by rapid changes in technology, process and market needs. Unless employees are multi-skilled or multi-talented, it would be challenging to ensure efficiency and effectiveness in their areas of work. In the highly competitive business environment, the key differentiating

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