STUDY ON GREEN MARKETING WITH SPECIAL REFERENCE TO FAST MOVING CONSUMER GOODS IN KANCHIPURAM DISTRICT

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Abstract:

The Fast Moving Consumer Goods (FMCG) sector is an important contributor to India's GDP and it is the fourth largest sector in the Indian economy. The sector is excited about a burgeoning population whose incomes are rising which is willing to spend on goods designed to improve lifestyle. Green marketing is inevitable and it is the need of the hour. It is a creative opportunity to innovate in ways that make a difference and at the same time achieve business success by designing and modifying the products totally suitable to nature.

Organisations and business however has seen change in consumer attitudes and are trying to gain an edge in the competitive market by exploiting the potential in the green market industry. However, a better understanding of consumer behaviour is necessary especially in the FMCG sector. Therefore, the study titled "Green Marketing With Special Reference To Fast Moving Consumer Goods (FMCG's)" is relevant for the companies to know the various green marketing practices followed by the FMCG companies and also the consumer's preference towards green products in the FMCG sector. This study also offers practical guidelines to marketers who are planning to target Kanchipuram district market. Even though Kanchipuram district is an agricultural based district, there is a good scope for developing thrust sector activities of green marketing equipment like pure products, edible items, fruits and vegetables on organic farming. Therefore, type of industries is going to be developed in the next five years.

Qualitative approach was adopted for the study by using a questionnaire and the total sample composed of 120 respondents among the district of Kanchipuram, Furthermore, stratified random sampling was used to collect data.

Key words: Green Brand Image, Green Satisfaction, Green Loyalty and Green Brand.

Introduction:

Since over the last few decades, environmental concerns such as global warming, climate change and rapid depletion of natural resources, etc have been important issues. Significant change in the climatic condition poses a threat to the survival of the society. In order to respond to critical issues arising from worldwide climate change and natural resource conservation, concepts focusing on environmental responsibility emerged. Protection of the environment is the primary responsibility of each and every individual and the mode of measures has become one of the biggest challenges to progress.

In today's business, enterprises and organisations are becoming more and more committed to environmental issues due to tougher environmental legislation, economic and other influences from the general public. Many global players in diverse businesses are now successfully implementing Green Marketing Practices. Today companies are aware of responsibilities towards the environment. So products and production processes have become cleaner and more companies "go green" that they can protect the environment and increase profits at the same time.

The FMCG sector is one of the growing industries that have concern about the green marketing issues. Most of the marketing practitioners use green elements as powerful marketing tools. Studies on environmental trends and green marketing have multiplied in recent years and point to growing consumer awareness. However, a better understanding of consumer behaviour towards green marketing is necessary especially in the FMCG sector.

Emergence of Green Marketing

Environmentalism can be traced back to the 1960's and early 1970's with increasing concern about the impact of consumption and production patterns in the environment due to debates about health effects and the impact of economic and population growth. It can be noted that environmental perception and green consumerism had not been significantly important before the mid l980's. Green concept and green marketing had an exponential growth during the last few decades and it created a global impact on the market and environment.

Scope and Importance of the study

The FMCG industry in India is the fourth largest industry in the economy which has well established distribution networks, as well as intense competition between the

organised and unorganised segments are the characteristics of this sector. FMCG in India has a strong and competitive MNC presence across the entire value chain.

Purpose of the study

The main purpose of the study is to discover how the ecological balance and innate environmental features can be preserved through sustainable development. In this context the role played by FMCG's and their potential consumers have become inevitable for a meaningful and worthwhile study. The study proposes to identify and examine the strategies employed by the FMCG's to achieve their goal and how the consumer switches over their interest from conventional products to green products.

Objectives of the study

The basis of the research led to the arrival of the following objectives:-

- To investigate the consumers preference towards green products in FMCG sector in Kanchipuram district.
- To analyse the factors affecting green purchasing behaviour of the customers.
- To evaluate the strategies adopted in the green marketing mix of FMCG products.

Hypotheses

- There is no difference between the preference of the customers of different types of FMCG products and the factors that motivate them to purchase green products.
- There is no significant difference between the customers of different areas and the factors affecting their green purchasing behaviour.

Limitations of the study

- The FMCG industry is a vast and dynamic industry having a lot of organised and unorganised players. But, this study is aimed at the Green Marketing of FMCG Companies in Kanchipuram district. The study only focuses on few aspects of each factors used by companies that can have an influence on green products purchase and the consumers attitude towards green products.
- Consumer preference towards FMCG green products but not on a special brand in order to generalise the study. Different strategies used in the marketing of green products in the FMCG sector will be analysed in order to see if there are differences inside the FMCG sector.

DATA ANALYSIS AND INTERPRETATION

Demographic Profile of the customers of FMCG Companies

Respondents represented people from five demographic variables such as age, gender, income, education and marital status. Demographic variables generally have a great impact on the purchase behaviour of consumers.

Descriptive Statistics

Particulars		Frequency	Percent
Gender	Male	54	45.0
	Female	66	55.0
	Total	120	100.0
Region	Urban	36	30.0
	Rural	44	36.7
	Semi urban	40	33.3
	Total	120	100.0
Age	Less than 25	23	19.2
	26- 40	29	24.2
	41-60	30	25.0
	above 60	38	31.7
	Total	120	100.0
Marital Status	Married	36	30.0
	Unmarried	45	37.5
	Divorced	39	32.5
	Total	120	100.0
Educational Qualification	SSLC	35	29.2
	HSC	26	21.7
	UG	40	33.3
	PG	19	15.8
	Total	120	100.0
Income	Less than 5000	21	17.5
	5001 – 10000	25	20.8
	10001 – 15000	26	21.7
	15001 – 20000	16	13.3
	above 20000	32	26.7
	Total	120	100.0

Interpretation

Indicates that, 52 per cent of the selected customers were from rural areas, while 24 per cent from semi-urban areas and the rest, 23 per cent belonged to urban areas. Therefore it can be observe that majority of the selected customers were from rural area.

Based on gender wise classification, male respondents constitute 44 per cent of 120 selected customers and the remaining 55 per cent were female. Therefore gender plays an important role in the purchase behaviour of respondents.

Majority of the selected customers belonged to the age group between 41-60 years. Out of which 54 per cent were from rural areas, 23 per cent and 22 per cent from semi-urban and urban areas. 85 respondents were aged above 60 years and of this 64 per cent from rural areas, 12 per cent from semi-urban areas and the remaining 22 per cent from urban areas.

Chi-Square Analysis Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square (Region & Price)	7.106[a]	8	.525
Region & Product Quality	6.924[a]	8	.545
Region & Place	5.113[a]	8	.745
Region & Promotion	9.166[a]	8	.328
Region & Package	10.841[a]	8	.211

Source: Survey data

Interpretation:

A Factors that motivated green customers to go green products were identified. These factors explained "why" and "what" prompted them to consume the green products. Respondents were asked to explain factors that motivated them to purchase convenience, shopping and speciality goods.

As per the table it is clear that the significant motivating factor for the customers to buy convenience goods is product quality. This can be understood from the statistically significant. This is based on the notion that the first rank preference of the value will give least mean of the preferences of the motivating factors. Further the mean value variation of the customers who prefer convenience goods with regard to the motivating factor varies statistically as the value of Chi-square is significant at 5 per cent level of significance (Value of Chi-square value 552. 761 with $p = 0.000 < 0.05$).

Analysis on ANOVA TABLE

		Sum of Squares	df	Mean Square	F	Sig.
Price & Types of Products	Between Groups	1.640	2	.820	.450	.639
	Within Groups	213.352	117	1.824		
	Total	214.992	119			
Product Quality & Types of Products	Between Groups	3.029	2	1.514	.813	.446
	Within Groups	217.963	117	1.863		
	Total	220.992	119			
Self Green Awareness & Types of Products	Between Groups	4.421	2	2.210	.986	.376
	Within Groups	262.371	117	2.242		
	Total	266.792	119			
Social Responsibility & Types of Products	Between Groups	1.491	2	.746	.367	.694
	Within Groups	237.809	117	2.033		
	Total	239.300	119			
Waste Reduced & Types of Products	Between Groups	4.010	2	2.005	1.016	.365
	Within Groups	230.782	117	1.972		
	Total	234.792	119			

Source: Survey data

Interpretation:

Tables shows the responses of the selected customers towards green packages. It can be understood that the mean scores of the customers towards green package varied among urban, semi-urban and rural areas. As per the mean score, semi-urban customers have high expectations or they respond more towards green package, as the mean score is greater than that of other customers (mean score 21.45). However, the mean variation is statistically not significant at 5 per cent level of significance (Value of F 2. 061 with $p = 0.128 > 0.05$).

Green promotion comprises all forms of marketing communication, namely advertising, publicity, sales improvement, personal sales, and public relations. The importance of "green" promotion is a result of its ability to present "green" products in the market, to provide additional information, develop customer tendency to purchase certain brands and to contribute to the creation of a positive perception of a "Green" company and to underline the importance of ecological problems. Here, area-wise variation of the response of the customers towards green promotion is analysed with One-way ANOV A.

SUMMARY OF FINDING, SUGGESTION AND CONCLUSION

Drastic climatic changes and its adverse impact on the environment forced consumers adjure their conventional style of life for an ecologically friendly and sustainable lifestyle. People have become more greatly conscious about their environment and a growing concern for it is noticeable in the attitude of the general public. In the modern era of globalization, it has become a challenge to keep the consumers informed of environmental safety which is the biggest need of the hour.

The changing consumer preferences, concern for future generation, environmental protection, etc made enterprises to devise ways and means for the creation of competitive advantage. It is the responsibility of the business world to compensate for the harm that companies have caused to the environment and evolve measures for the well-being of the present and future generations.

FMCG sector is a considerably large sector in the economy whose fundamental duty is to promote eco-friendliness. As society became more complex with the environmental issues and unethical business practices, consumers' and business organisations have become more environment conscious.

So businesses have begun to modify their behaviour in an attempt to address the society's "new" concerns. Consequently, customers and consumers expect that products offered by the companies should be environmentally safe without need to sacrifice quality and efficiency to achieve the recognition in the market. This study examines the green marketing practices followed by the FMCG companies and their impact on the customer behaviour.

FINDINGS:

- A majority of the selected customers of FMCG products were found to be belonging to the rural area and only a few customers to urban and semi-urban areas.
- More than 55 per cent of the customers of FMCG products were females and they were between 41-60 years and the majority of the customers were from rural areas.
- Considering the gender and the type of goods preferred by the customers, majority of both sexes preferred convenience goods.
- The motivating factor for the purchase of convenience, shopping and speciality goods were found to be the product quality.
- The degree of social influence on green behaviour is high in the case of customers of rural areas than other areas as observed in mean scores of the responses of these customers.

SUGGESTION:

The FMCG industry is a dynamic industry and considering the environmental factors in this sector, green marketing is found to be growing alongside providing opportunity for new entrants. They have increased their prominence in the business world as they desire to minimise and control the harmful effect of business activities on the environment. The following are the suggestions for practical application.

- Consumer companies should be more environment friendly. They should organize eco-friendly programmes to create awareness among the employees, customers and other stakeholders about the need for protecting the environment. For this purpose, the FMCG companies should be very alert and vigilant about those who fail to abide by the fixed parameters.
- FMCG companies should concentrate on the application of green technology in design, development, and production of different categories of products which help them to create an image in the minds of the stakeholders that they are environmentally and socially responsible.
- The companies pricing, promotion policies and responsibility towards environment, their green production and marketing practices should

reflect their green behaviour in order to establish their claim to be environmentally responsible to the stakeholders.

- The consumer companies should evaluate the green needs and the green purchasing behaviour of the customers frequently so that they update the market with eco-friendly products.

The study on durable and non-durable products could be a paramount with the comparison of conventional products would assist the managers to obtain the views of the consumers on these two different categories of product types. Indeed the consumer decision making is different when people are willing to buy a durable such as clothes or even a car because the impact on the purchase is not the same and may be for these products we can suppose that value expressive function has an important impact.

CONCLUSTION:

The FMCG industry is the biggest and the most dynamic industry in the world with a large number of customers for different types of products with varying tastes, needs, bahaviour and purchasing style. These customers are highly sensitive to the purchase and use of their products, especially the customers of convenience goods. At the same time, there is a shift in the buyer's consumption pattern from unsustainable to sustainable.

This shift influences the purchase behaviour of the customers as they have decided to go Eco-friendly. This transformation in customer behaviour has compelled FMCO companies to adopt "green" to retain their image in the market. The rapid increase in the concern for environment has imposed a stress on the companies to adopt green as the core of their strategy and have become aware of the fact that their survival depends only on going green.

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