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Evaluation of Green Marketing Strategies in FMCG Segment

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1. INTRODUCTION

Going green, green economy or the green movement has gained massive popularity globally over the past several years and its influence has spread across just about FMCG industry. Being “green” helps preserve and sustain society’s resources. In FMCG sector, ¹India remained the leader among all nations in the global consumer confidence index with a score of 131 points for the quarter ending December 2015, followed by the Philippines (117), Indonesia (115) and Thailand (114). Consumer confidence in India has remained high for nine consecutive quarters. Normally, the green industry focuses on making a profit while having a negligible (or even a beneficial) impact on the environment. Leaders within the industry make sustainability a key consideration in decision-making throughout the organization. They work to minimize both use and production of harmful chemicals, excess materials, and waste byproducts in the delivery of their goods and services. Recognizing the importance of our planet’s dwindling natural resources - or perhaps the economic opportunity that that creates - the green industry seeks to meet the demands of today without compromising the needs of tomorrow. This study focus on analyzing the green marketing strategies in terms of product, price, place and promotion

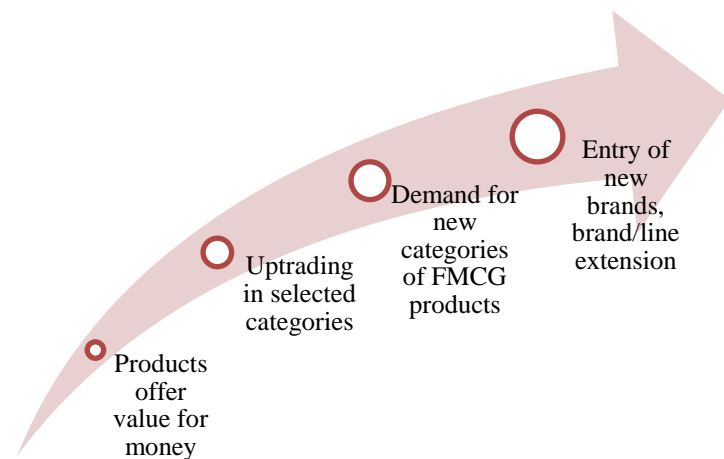


Figure 1: Indian FMCG sector trends

1.1 RESEARCH PROBLEM

There is growing concern by the Indian Government and the consumers over the environmental impact of the FMCG products. Nowadays, various companies offer green FMCG products in India therefore slowly resulted to evaluate the green marketing strategies adopted by FMCG segment in India. Related studies that have been done on green marketing practices that survey among Indian Consumers report a high level of concern for the environment and engagement in environmental behavior. They exhibit willingness to take environmentally friendly actions, seek environment-related information, and pursue activities that help to conserve the environment and prevent pollution (Jain and Kaur, 2004). Greening is thus viewed as a source of competitive advantage.

1.2 OBJECTIVES

- To establish the awareness of green marketing strategies in FMCG segment in India.
- To identify the various green marketing mix strategies which are mainly adopting to emerge green FMCG products in India.
- To identify the challenges faces in formulating green marketing concept in FMCG segment in India.

1.3 NEED

Sustainable marketing practices are a major concern for consumers, scholars and marketing practitioners. Accordingly, marketers need to understand how the different marketing mix elements can be utilized to drive the environmental conservation agenda. When the environment is clean, businesses thrive and opportunities are created for future generations. Consumers who are conscious about the environment will gain knowledge on how various FMCGs Segment are conserving the environment and whether the products produced are green. They will also learn ways to individually contribute in conserving the environment, realize they can influence the FMCG Segment into adopting or even contributing to the green initiatives in India.

1.4 LIMITATIONS

Any study that is conducted will have its limitations. A clear understanding of the

limitations of the study will go a long way in arriving at a better solution for the research problems that were encountered during the course of the study.

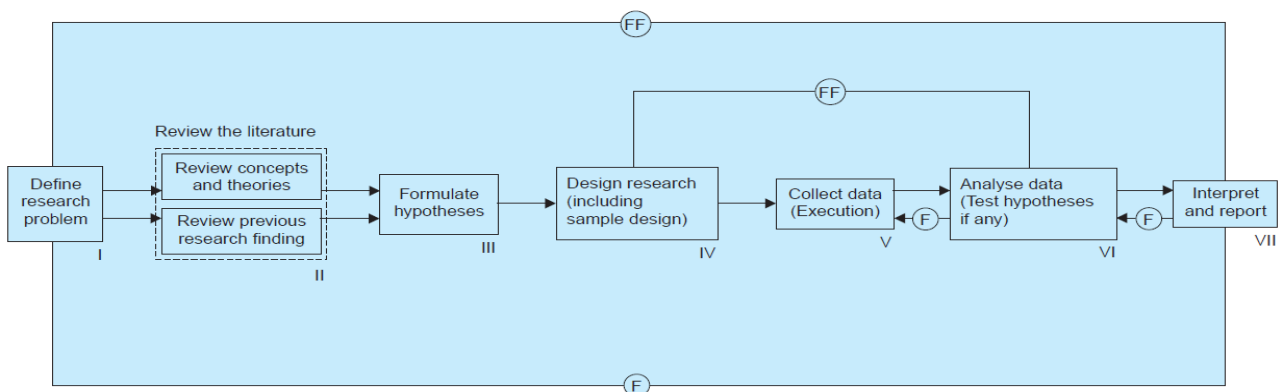
- The study is confined to FMCG consumers in Pune.
- Due to time constraint of researcher the study was limited.
- The customers had taken long time to return back the questionnaires.
- The result of the research is purely based on the opinion of the individual so the validity may be distorted because of biased answers.

1.5 HYPOTHESIS

- There is no significant relationship between gender and awareness of green marketing strategies
- There is no significant relationship between gender and challenges faces in green marketing strategies

2. RESEARCH METHODOLOGY

Research is a procedure in which the analyst wishes to discover the finished result for a given issue and subsequently the arrangement helps in future game-plan. Research has been characterized as "A watchful examination or enquiry particularly through quest for new actuality in any branch of learning". The process followed in this research is depicted through below flow diagram.



Where

F = Feedback (Helps in controlling the sub system to which it is transmitted)

FF = Feed forward (Serves the vital function of providing criteria for evaluation)

The chart indicates that the research process consists of a number of closely related activities, as shown through I to VII. This research is based on the flow chart and strictly followed the prescribed sequence. The following order has followed because it provides a useful procedural guideline regarding the research process: (1) formulating the research problem; (2) extensive literature survey; (3) developing the hypothesis; (4) preparing the research design; (5) determining sample design; (6) collecting the data; (7) execution of the project; (8) analysis of data; (9) hypothesis testing; (10) generalizations and interpretation, and (11) preparation of the report or presentation of the results, i.e., formal write up of conclusions reached.

2.1 RESEARCH DESIGN

An exploration outline is the calculated structure inside of which research is led and it constitutes the plan for the accumulation as well as estimation and investigation of information. The sort of examination that will be utilized as a part of this anticipate will be enlightening in nature. Illustrative examination is a depiction of the situation as it exists at the present. The principle attributes of this kind of exploration is that the analyst has no influence over the variables, he can just report what has happened or what is going on.

2.2 SAMPLING TECHNIQUE

The sampling technique adopted for the study was non-probability sampling. The respondents were picked on the premise of Convenience testing. The motivation behind why this examining technique will be utilized is a result of the time imperatives, absence of information about the whole universe and the fundamental reason being that it won't be anything but difficult to gather the information from every one of the green customers of FMCG segment in Pune.

2.3 SAMPLE SIZE

The survey is estimated to be conducted among 30 customers.

2.4 METHOD OF DATA COLLECTION

Essential information are those that are gathered surprisingly and hence they are observed to be unique in character. The essential information to be utilized for this anticipate will be gathered utilizing an organized poll which was a blend of 5 point rating scale addresses. The information is to be gathered from the green FMCG customers.

2.5 STATISTICAL TOOLS

- Chi-square Test
- Weighted Average Method
- Mean and Standard Deviation
- Correlation

3. DATA ANALYSIS AND PRESENTATION

3.1 MEAN AND STANDARD DEVIATION FOR GREEN MARKETING MIX

TABLE 3. 1 Mean and Standard Deviation For Green Marketing Mix

MARKETING MIX	MEAN	STANDARD DEVIATION
Product	1.73	0.859
Price	1.79	0.934
Place	1.91	0.888
Promotion	1.84	0.754

A standard deviation of <1 means that there was no significant variation in responses whereas a standard deviation of >1 means that there was significant variation in responses. From the table it makes crystal clear that the analysis shows place, product, price and promotion mean score which is less than overall score of 2 and standard deviation between 0.754 and 0.934. Indicating to a very large extent that marketing mix is very important which is a composure of all items paves the way to drive marketing strategies of FMCG segment in India.

3.2 CHI-SQUARE RELATIONSHIP BETWEEN GENDER AND AWARENESS OF GREEN MARKETING STRATEGIES NULL HYPOTHESIS

There is no significant relationship between gender and awareness of green marketing strategies

ALTERNATE HYPOTHESIS

There is a significant relationship between gender and awareness of green marketing strategies

TABLE 3. 2 Relationship Between Gender And Awareness Of Green Marketing Strategies

PARTICULARS		Aware	Unaware
Heard about green marketing strategies	Male	20	0
	Female	10	0
Environment protection policy of FMCG products	Male	25	5
	Female	0	0

OUTPUT – CHI-SQUARE

Chi-Square Tests					
Particulars	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	12.000 ^a	1	.001		
Continuity Correction ^b	8.670	1	.003		
Likelihood Ratio	13.171	1	.000		
Fisher's Exact Test				.002	.002
Linear-by-Linear Association	11.600	1	.001		
N of Valid Cases	30				

INTERPRETATION

The results show that there is a significant relationship between gender and awareness of

green marketing strategies in FMCG segment, $\chi^2(1, N = 30) = 12, p = .001$.

OUTPUT - CORRELATION

Symmetric Measures					
Particulars		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval	Pearson's R	.632	.122	4.320	.000 ^c
Ordinal by Ordinal	Spearman Correlation	.632	.122	4.320	.000 ^c
N of Valid Cases		30			

INTERPRETATION

From the table, it makes clear that Correlation value is 0.632 and p value is 0.00 which is less than 0.005 then there is a high positive correlation between gender and awareness of green marketing strategies in FMCG segment.

AGE AND FACTORS DRIVING GREEN MARKETING STRATEGIES**NULL HYPOTHESIS**

There is no significant relationship between gender and challenges faces in green marketing strategies

3.3 WEIGHTED AVERAGE METHOD TO DETERMINE RELATIONSHIP BETWEEN**ALTERNATE HYPOTHESIS**

There is a significant relationship between gender and challenges faces in green marketing strategies

TABLE 3. 3 Weighted Average Method To Determine Relationship Between Age And Factors Driving Green Marketing Strategies

PARTICULARS		5	4	3	2	1	MEAN
High costs	Male	2	3	4	5	5	3.06
	Female	1	2	3	4	4	3.26
Lack of green marketing exposure and education	Male	7	6	3	1	1	4.73
	Female	5	4	2	1	1	3.26
Lack of high demand from green consumer	Male	7	5	2	0	0	4.06
	Female	6	7	3	0	0	4.46
Lack of adequate government support	Male	0	0	8	7	7	2.53
	Female	0	0	8	7	7	2.53
Inability to quantify benefits that are brought about of green practices of FMCG segment	Male	7	4	4	2	2	4.46
	Female	8	1	3	1	1	3.66

A Weighted average mean of <3 means that there was no significant variation in responses whereas a weighted average mean of >3 means that there was significant variation in responses. The findings show that weighted averages mean of lack of adequate government support in both gender gain value of 2.53. Hence it is concluded that there was no significant challenges faces due to gender because of lack of support from government which is major reason for the rise in green FMCG products. Challenges like high costs, lack of green marketing exposure and education, lack of high demand from green consumer and inability to quantify benefits that are brought about of green practices of FMCG segment value lies from 3.06 to 4.73. Thus, it concludes that there is a significant relationship between gender and challenges faces in green marketing strategies

4. FINDINGS

- It is observed that 40% of respondents between the age category of 27 to 30 years closely followed by 28% are of above 50 years, 20% of between 30 to 40 years and 15% of between 40 to 50 years.
- It shows that 67% of respondents are male whereas 33% of respondents are female.
- It infers that 40% of respondents are single while 32% of respondents are married and 28% of respondents are Divorced.

- It depicts that 32% of respondents are post graduates while an identical 24% are of Graduates and others qualification and 20% of Diploma holders.

5. SUGGESTION

- The study clearly shows that the Government regulation is not a major driver for green marketing strategy for FMCG segment. Government bodies should be keen and strict on implementing policies on FMCG segment and following up to ensure they are adhered to. Policies on packaging materials to be used, waste disposal methods, consumer education by FMCG on their product features via labeling to enable consumers make informed decisions when purchasing etc .All this is to prevent direct pollution of the environment, human and animal health issues.'
- Customers are facing challenges like lack of knowledge about green products especially among female persons. FMCG segment should take steps to create green awareness among female consumers in India.
- Maximum number of respondents feels that green products cost little higher than other FMCG products. Concession or premium in green products which

stimulate respondents to be highly associated with green FMCG products.

- It is advisable to promote green products via innovative ads through social websites like face book, whatsapp create awareness among consumers that boost the respondents of FMCG consumers in India.

6. CONCLUSION

Evaluation of green marketing strategies is crucial among FMCG sector in order to remain competitive and profitable whereby it seems that today's society is not only growing an interest in green marketing, but also green marketing practices have become an integral part of carrying out business and more so in FMCG industry that thrives mostly on natural resources for production. Key takeaways from the study findings that that there is a huge number of male respondents aware of green marketing strategies of FMCG sector in India. Numerous male respondents enumerate awareness with the help of word of mouth communication, advertisements, banners and the like. Green marketing mix plays an important role in experiencing the benefits derived from it. Challenges that have been identified during the study should be carefully considered as they hinder the progress of the economy to a large extent. If firms do not embrace the green concept consequences occur. Green FMCG sector shall not be attractive thereby hindering in the growth of FMCG segment in India.

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QUESTIONNAIRE

1. Name
2. Age
 - a) 25 -30 years
 - b) 30 – 35 years
 - c) 35 – 40 years
 - d) 40 - 45 years
 - e) Above 45 years
3. Gender
 - a) Male
 - b) Female
4. Marital Status
 - a) Single
 - b) Married
5. Education level
 - a) SSLC
 - b) HSC
 - c) Diploma
 - d) Graduates
 - e) Post graduates
 - f) Professional qualification
 - g) Others

6. State the awareness of green marketing strategies of FMCG?

PARTICULARS	Aware	Unaware
Heard about green marketing strategies		
Environment protection policy of FMCG products		

7. Which of the following factors drive green marketing strategies of FMCG?
 - a) Environment Conservation
 - b) Enhance Brand image
 - c) Competitive pressure
 - d) Cost reduction
 - e) Government Regulation
 - f) Gaining Market advantage
8. Green product marketing strategy

(1-- Extremely Important , 2- Some-what Important, 3- Neither-Important nor Unimportant, 4 - Some-what Unimportant, 5- Extremely Unimportant)

PARTICULARS	5	4	3	2	1
To what extent do you use organic raw materials to manufacture FMCG products					
Have FMCG products been standardized to ensure safety as per law?					
Do you provide recyclable packaging for FMCG products?					
Is product packaging biodegradable?					

9. Green price marketing strategy

(1-- Extremely Important, 2- Some-what Important, 3- Neither-Important nor Unimportant , 4 - Some-what Unimportant, 5- Extremely Unimportant)

PARTICULARS	5	4	3	2	1
To what extent has FMCG adopted environment friendly accounting methods to assess costs associated with green FMCG product processing?					
Are green customers comfortable paying a premium for green products?					

10. Green place marketing strategy

(1-- Extremely Important, 2- Some-what Important, 3- Neither-Important nor Unimportant , 4 - Some-what Unimportant, 5- Extremely Unimportant)

PARTICULARS	5	4	3	2	1
To what extent is FMCG transportation fleet fuel efficient?					
FMCG storage facilities for green products					
How do you source raw materials for green products?					

11. Green promotion strategy

(1-- Extremely Important, 2- Some-what Important, 3- Neither-Important nor Unimportant , 4 - Some-what Unimportant, 5- Extremely Unimportant)

PARTICULARS	5	4	3	2	1
Transparent of information on environment friendly products/production, waste disposal methods in use?					
Marketing communication tools and practices to reinforce and educate environment protection					
Digital advertising reduces paper work					
CSR activities help me to conserve environment friendly products					

12. What are the challenges faces in adopting green marketing strategies?

(1-- Extremely Important, 2- Some-what Important, 3- Neither-Important nor Unimportant , 4 - Some-what Unimportant, 5- Extremely Unimportant)

PARTICULARS	5	4	3	2	1
High costs					
Lack of green marketing exposure and education					
Lack of high demand from green consumer					
Lack of adequate government support					
Inability to quantify benefits that are brought about of green practices of FMCG segment					