



## **RELATIONSHIP BETWEEN GREEN ADVERTISING AND CONSUMER BEHAVIOR: AN EXPLORATORY STUDY ON GREEN MARKETING**

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### **ABSTRACT**

*Environmental sustainability is widely being debated with primary focus on businesses finding ways to benefit the environment or do least harm to it through business processes. Consumer awareness has increased significantly regarding the importance of environmental sustainability and business development processes regarding the same. Green marketing has evolved as a tool for corporations to impart perception of environmental responsibility. The present study focuses on green advertising as an entity of green marketing reflecting upon consumer perceptions. The study reflects upon the extent of awareness about green advertising in New Delhi region. The relationship between different dimensions of consumer behavior and consumer perception was studied. The study is exploratory in nature. It is an attempt to study consumer awareness & perceptions with respect to green advertising and understand their cognitive and affective responses. The study reveals that a greater portion of population is aware about environment and there is a significant relationship between the dimensions under study. For a large portion of population, green marketing does impart a positive impression on image of the company. The research concludes upon general impression that there is immense knowledge among people about various companies and their products. People are beginning to look beyond conventional advertisement for their needs and are willing to trust new marketing marvels. Green advertising can be used as a tool by marketers to attract the larger portion of consumers. It can also help in developing a strong brand image thereby contributing to brand equity.*

**Key Words:** *Green advertising, Green marketing, Environmental sustainability, Consumer behavior, Consumer perception*

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## **Introduction**

'Green advertising' has entered into the lexicon of modern language and the term refers to advertising that highlights the environmental benefits of a product or service. While much of the advertising in this category is relatively innocuous, there are instances where consumers can be misled. The term 'green', implies an underlying concern for preservation of the environment. Generally targets for concerns are the preservation of the planet earth, personal health, and animal life. Thus, activities causing the least damage to the planet earth, its environment, human and animal life are preferred. Green consumers are interested in deepening their behavior to protect the environment. These behaviors include: the use of recyclable products, active participation in environmental groups and political pressure. Green consumer is one who's purchasing behavior is influenced by environmental issues (Easwar&Barnejee, 1993). Banerjee defines this advertisement as "an explicit or implicit link between a product / service to the environment, a green lifestyle by highlighting a product / service to promote an image of environmental responsibility, the company can offer." Since the 1970s, green advertising, to develop affective environmental communication strategies that lead to green consumers has been studied.

Green advertising refers to all aspects of environmental and sustainable ecosystem that is environmentally friendly or messages that respond to environmental concerns. Green Advertising consists of three major classes, those directly or indirectly associated with products, services and environments will point out, those who responsibly environmental lifestyle with or without highlighting a product or service they are promoting and those that offer an image of environmental responsibility of company.

The first green advertising when scientific organizations, people and were concerned about companies environmentally destructive activities, appeared in late 1960. In the late 1980's due to pressure from the government and the public this advertising was very wide. Many marketing experts carried out research in this field by examining the validity of the advertisement into four categories. Dull, deleted, false (lies) were classified as acceptable. The second set of studies focused on environmental claims and Carlson were presented in four categories: product orientation, process orientation, the orientation of the image, the environmental. Image orientation and process orientation, used in the early years and product orientation are commonly used in recent years. The third category research belongs to grade green advertising, the advertisement was based on environmental information. The fourth category of research examines the impact of advertising messages on consumer payment behavior. The fifth category includes research on aspects of the advertising copy and position.

Green advertising offers varied modes of expression with relationship to psychological and emotional level. In The position aspect, factors, including environmental graphics, ambient providers (animals) and the introduction of green brands advertising messages are reinforced. Green advertising in recent years helped many organizations to

stay ahead of the growing environmental concerns and community attitudes towards the use of environmentally friendly products. Some organizations, to show the change of attitude and culture of the organization and its ads, only stick out to change the decoration of buildings, green space and environmentally friendly or pleasant design advertising slogan and can rely on a green background, while others actually get into this field with more synchronized efforts towards a reinforcement of change. We conclude that only with slogan and providing appropriate picture cannot be environmentally friendly in field of green products and services. Success key of green organizations, is keeping pace organization's advertising slogans with the organizational performance.

**Background:** Although it has become a particularly hot issue in recent years, green advertising is not a new phenomenon. Green advertising can be traced back to the first Earth Day in April 22, 1970, when Senator Gaylord Nelson of Wisconsin proposed a nationwide grass-roots demonstration to raise public awareness of environmental issues, including the rising toxicity in the Great Lakes, polluting factories and power plants, oil spills, pesticides, freeways, the loss of wilderness, and the extinction of wildlife. The Chernobyl nuclear disaster and the Exxon Valdez oil spill in the 1980s also led to increased public and international awareness of the need for environmentally responsible behavior. In June of 1992, the United Nations Conference on Environment and Development, known as the “Earth Summit”, brought together international leaders and non-governmental organizations in Rio de Janeiro. The Earth Summit discussions addressed environmental issues of growing concern, such as the production of air and water pollutants by industry and the reliance on motor vehicles, the need for alternative sources of energy to reduce the production of carbon dioxide by the use of fossil fuels, the increasing scarcity of clean water supplies, and the growing loss of biodiversity on the planet. The result of these discussions was the signing of several agreements by leaders of UN member countries, such as the convention on biological diversity and the convention on climate change.

## **Literature Review**

Marketing scholars, as well as practitioners have paid great attention to the issue of natural environment since early 1970's (Kassarjian, 1971; Fisk, 1973). Generally, green marketing refers to the incorporation of environmental dimensions into marketing activities (Crane, 2000). According to Polonsky's (1994) widely cited definition, green or environmental marketing consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs with minimal detrimental impact on the natural environment. Thus, it incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, and modifying the marketing communications. Research results show that, environmental impact of products and services may influence consumer behavior. Consumers are

likely to choose one brand over another because of their impact to the natural environment. They are also more likely to pay a premium to products, which are environmentally safer (Kangun, Carlson, Grove, 1991; Chase and Smith, 1992; Davis, 1993; Carlson, Grove and Kangun, 1993; Menon and Menon, 1997; Ottman, 1997; Crane, 2000; Peattie, 2001; Anghel *et al.*, 2011). Increasing consumer sensitivity to environmental issues dramatically affected corporate world and forced them to change their way of doing business. Green advertising is on the rise, as an ever-increasing number of manufacturers are informing their consumers about pro-environmental aspects of their products and services (Banerjee *et al.*, 1995). Designing water and energy saving products, using recycled and biodegradable materials and supporting environmental causes are prominent environmental claims in the ads. Green advertising is defined as “any ad that explicitly or implicitly addresses the relationship between a product/service and the biophysical environment, promotes a green lifestyle with or without highlighting a products/service and presents a corporate image of environmental responsibility” (Banerjee *et al.*, 1995). Environmental marketing and green advertising boomed in the late 1980’s (Easterling *et al.*, 1996). While many companies have made sincere attempts to minimize the negative environmental impact of their products, others have simply exaggerated or even fabricated the environmental qualities of their offerings (Garfield, 1991). Hence, a negative attitude towards green advertising among consumers arose. Consumers do find environmental information in the ads neither believable nor reliable (Fisk, 1973; Kangun, *et al.*, 1991; Iyer and Banerjee, 1993; Davis, 1993; Newell, Goldsmith and Banzhaf, 1998). It was reported that the least credible source of information regarding its environmental impact was an advertisement placed by the company itself (Iyer and Banerjee, 1993). Perhaps, weak credibility of green claims could have been among the potential barriers to translate good intentions into green buying actions. Indeed, plenty of research demonstrates that deceptive environmental claims are commonly used in the marketplace (Kangun *et al.*, 1991; Carlson *et al.*, 1993; Polonsky, Carlson and Kangun, 1997). Thus, designing and using environmental claims in the ads is a critical decision that may affect advertising effectiveness as well as the reputation of a firm. Some fine-tuning of the advertisements’ verbal copy may be all that is needed to make a claim completely intelligible and more valuable to both the source and the receivers of the communication (Carlson *et al.*, 1993). Lack of this fine-tuning may also threaten the success of the communication. In this respect, claim specificity is an important issue for green advertising effectiveness.

**Consumer Perception With Respect To Green Advertising:** “Consumers feelings and judgments are formed when they are exposed to an advertisement which will influence consumer’s attitudes towards the ad itself and their beliefs regarding the brand or the product” (Batra and Ray, 1986). It is necessary to investigate the differences between consumer’s affective response which is consumer’s feelings from ad exposure and cognitive response which is consumer’s judgments towards the ad (Button and Lichtenstein, 1988). Consumer’s affective

responses are influenced by other ads, consumer's emotions and the current circumstance (Gardener, 1985; Aaker *et al.*, 1986). Therefore, how the consumers feel about the ad that they are exposed, will affect their assessments of the brand (Edell and Burke, 1987). The study of consumer's attitudes towards green advertising has been very comprehensive. Consumers who are environmentally concerned normally have generated positive attitudes towards green advertising and environmental issues (Carlson *et al.*, 1993). The studies proved that the people in-charge of the environment have significantly stronger positive attitudes towards people who are indifferent to the environment.

**Consumer Response to Green Advertising:** A series of researches were conducted to study consumer's responses to advertising claims and products. To understand how consumer responds to message in green advertisement is critical to green marketing, because people at present somewhat have questions about the credibility of products presented through green advertising (Kangun *et al.* 1991; Mayer *et al.* 1993; Kim and Damhorst, 1999). The products from companies that have been perceived as green and have good reputation of environmental preservation are still more acceptable than conventional products by consumers (Stisser, 1994; Ottman Consulting, 1991). In this study, the intention is to investigate how consumers respond to green advertising itself and how consumers respond to the organizations that have been perceived green and their products respectively.

### **Relevance of the study**

Marketers operating, in highly competitive environment today, need to be innovative in their operations. Excelling and being above the competition is need of the hour. Businesses need to constantly assess the latest and most attractive marketing trends. Marketing trends can be found out by continuously researching about the changes in consumer behavior in the marketplace. By identifying the changes in the consumer behavior, the businesses can modify their offering to the consumers. Consumers today are more concerned about environmental degradation and negative impact of their uses of product and services on environment. The reason for this concern could be visible climatic changes, global warming and increasing air and water pollution. Thus using green marketing by the organizations not only provides an opportunity to meet consumer expectations and address their environmental concerns, but also to gain a competitive advantage and a strong consumer base (Renfro L A, 2010). Thus wide range of activities are covered under green marketing, which includes modifying the product, making changes in the production process and packaging, as well as modifying advertising or removing any activity that impacts the environment in negative way. Michael Polonsky (1994) defined Green Marketing as the marketing that consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment. For sustainability and growth, a marketer has to consider innovative environment friendly trends (Singh & Kushwaha,

2010). Today, the earth faces more environmental issues than ever before, hence it is imperative for companies to make and market them as environment friendly. Green marketing today is emerging as a popular promotional strategy owing to increased consumer awareness and concerns.

The concept of green or ecological marketing calls upon businesses to follow ethical and green practices while dealing with customers, suppliers, dealers, employees etc. Companies have started marketing themselves as green companies. Even the PSU, state governments are now paying a lot of attention towards environmental issues such as global warming, pollution, water contamination etc. and have started taking steps to prevent the environment. Consumers showing the largest increase in environmentally sustainable behavior were in India, Russia and the United States (Howe, Bratkovich, Bowyer, Fernholz and Stai, 2010). For a company to be successful in green marketing requires to be committed to operate in environmentally friendly ways. Marketers looking for successfully introducing green products should position them broadly in the market place to make it available to the consumers as per their choice of place and time. That is when the green advertising becomes important.

Green advertising is often referred as specific type of advertising that is centered on the promotion of factors having to do with the environment. Oftentimes the companies that use green advertising also use very environmentally friendly operations and product packaging as well. Although environmental issues influence all human activities, few academic disciplines have integrated green issues into their literature. As society becomes more concerned with the natural environment, businesses have begun to modify their behavior in an attempt to address society's new concerns. Some businesses have been quick to accept concepts like environmental management systems and waste minimization, and have integrated environmental issues into all organizational activities. Some evidence of this is the development of journals such as 'Business Strategy and the Environment' and 'Greener Management International,' Many governments around the world have become so concerned about green marketing activities that they have attempted to regulate them (Polonsky 1994). One of the biggest problems with the green marketing area is that there has been little attempt to academically examine environmental of green marketing. While some literature does exist [Carlson, Grove and Kangun 1993, Davis 1992, Davis 1993], it comes from divergent perspectives.

### **Research Methodology**

The objectives of present study are as:

- To study the awareness of consumer with respect to green advertisement.
- To understand the cognitive and affective response of consumers.
- To study the perception of the consumer towards green company.

**Research Design:** The present study is exploratory in nature and judgmental sampling technique used was to identify the target audience. Around 100 samples were collected from Delhi region and primary data was collected by administering a structured questionnaire

### Data Analysis and Interpretation

#### Demographic profile of respondents (Table 1)

<b>Education</b>	Elementary School 7	Upper Secondary School 11	University 82	
<b>Age</b>	26-35 43	36-45 35	46-55 10	Above-55 12
<b>Work Situation</b>	Service 12	Self Employed 25	Students 45	Housewife/ Retired 18
<b>Gender</b>	Male 55	Female 45	Others 0	
<b>Total No. of Respondents</b>	<b>100</b>			

<b>Research Variables and responses: (Table 2)</b>	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
<b>Cognitive and affective response to green advertising</b>					
i. Green advertising leads people to be more socially responsible	46	33	11	8	2
ii. Green advertising strengthens company image	9	45	31	10	5
iii. Green advertising is a good business practice	5	11	8	67	9
iv. Green advertising presents a true picture of the product being advertised	7	29	50	9	5
<b>Consumer responses to the companies and their products</b>					
i. A company that uses green advertising is trustworthy	10	58	22	7	3
ii. Products and services that are advertised as green are safer to use	11	28	52	6	3
iii. Green advertising results in better products	24	34	27	8	7
iv. I have more confidence in advertised green products than in unadvertised	6	38	44	7	5

<b>Consumer specific behaviors</b>					
i. I prefer purchasing products that have environmental messages in their printed advertising	10	64	16	6	4
ii. I plan to switch to products and services that were advertised as being green	21	58	9	7	5
iii. I would pay more for products or services that were advertised as being green	5	45	31	14	5
iv. Green advertising is deceptive	6	9	15	55	15
v. Green advertising preys upon consumers' environmental concerns	9	23	27	29	12
vi. Companies use green advertising to protect their reputations	4	11	16	58	11

### Correlation Analysis

Pearson correlation was computed to determine whether there was a relationship between the cognitive response & consumer's specific behavior, consumer responses & consumer's specific behavior, the cognitive effective response & consumer's specific behavior, and the magnitude of correlation was calculated to be ( $r = .286, p < .001$ ), ( $r = -.395, p < .001$ ), ( $r = .334, p < .001$ ) respectively. As tabulated below:

<b>Cognitive and effective response and Consumer's specific behavior (Table 3)</b>		I would pay more for products or services that were advertised as being green.
Green advertising leads people to be more socially responsible	Pearson Correlation	.286
	Sig. (2-tailed)	.001
	N	100

<b>Consumer Responses and Consumer's specific behavior. (Table 4)</b>		I have more confidence in advertised green products than in unadvertised
I would pay more for products or services that were advertised as being green.	Pearson Correlation	-.395
	Sig. (2-tailed)	.001
	N	100



<b>Cognitive and effective response and Consumer's specific behavior (Table 5)</b>		Green advertising is a good business practice
Green advertising shows the consumer that the firm is addressing consumers' environmental concerns	Pearson Correlation	.334
	Sig. (2-tailed)	.001
	N	100

The results of co-relation analysis reveal significant relationships between the variables under study.

### **Findings**

- According to response 95% respondents have concerned about environment. It can be rightly said that most of the consumers in Delhi are aware about environmental issues even if a significant portion of the population may not have an opinion about it.
- Half of the respondents would like to pay more for products and services that were advertised in context of green marketing, which is very significant portion from marketing point of view.
- Most of the respondents prefer products with eco-labeled packages. The eco-friendly packing and labeling can play a greater role in success of a product in such an environmentally aware market
- For a large portion of population, green marketing does impart a positive impression on image of the company. Green marketing is complimentary to image building measures for a company.

### **Conclusion**

The present research in the field of green advertising threw up some interesting trends which can be seen in the above analysis. A general impression gathered during data collection was the immense awareness and knowledge among people about various companies and their products. People are beginning to look beyond conventional advertisements for their needs and are willing to trust new marketing marvels. People in general have been impressed by the marketing and advertising campaigns inspired by green advertising. A high penetration of print, radio and television ad campaigns over the years is beginning to have its impact now. Green advertising can be used as a tool by marketers to attract the larger portion of consumers. It can also help in developing a strong brand image thereby contributing to brand equity.

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