

## **Impact of Green Marketing Strategies followed by Detergent Manufacturers on Consumers**

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### **Abstract**

‘Green Marketing’ is process where the manufacturers sell their products based on the impact of that product on the environment. It includes the basic features of the products, usage, or packing of the product, which have minimal impact on the environment. Increasing in the awareness among the consumers about the environment is motivating them to buy the products that are environmental friendly. The other side manufacturers are trying to design new products and process or modifying the existing products to suit the new customer and environmental requirements. Detergents are an integral part of civilised society. Though some of the detergent manufacturing companies are following green marketing strategies, like water saving detergents, there are no specific studies conducted to know the impact of these strategies on consumer buying behaviour. This study was conducted in five metro cities, Kolkata, Bangalore, Chennai, Hyderabad, and Mumbai with a sample size of 370. The study found that green marketing claims made by the detergent companies is one of the important factors that motivates the consumers to buy a particular brand.

**Keywords:** Consumer Behaviour, Detergents, Eco-friendly, Environmentally conscious, Green Marketing,

### **INTRODUCTION**

‘Green Marketing’ is referred to the process in which a certain product is sold based on its environmental benefits or implication, wherein the product itself can be good for the environment or the manner of the packaging and production of the product is environmentally conscious [1]. It has been noted that Green Marketing Strategies have been increasingly applied across industries and has garnered significant confidence from customers as a reliable and profitable marketing tactic. The prevalence of such process has been more in certain geographical areas such as the US, wherein the market for Green Marketing is now estimated to be nearly two-hundred and fifty billion dollars annually [2]. The success of green-marketing stems from the fact that customers are often willing to purchase goods and services that are environment-friendly in order for them to express their concern for such

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initiatives for a green planet [3]. From the company's standpoint it is also important to note that companies are these days focusing beyond merely just focusing profits and they are actively trying to introduce, implement and capitalise on green marketing strategies in order for themselves to be competitive in markets that are seeking to position themselves as green in consumer's minds [4]. In summary, the concept of Green Marketing can be considered as an intersection and integration of marketing techniques including logistics, promotion and production etc. and concern for environmental preservation [5].

Since, the present study focuses on Green Marketing Strategies and the impact on customers it is important to understand and identify a 'Green Customer'. Such a consumer is a person who partakes in products and services that do not endanger the climate and the environment by virtue of its production techniques, logistics and disposal [6]. In order to determine specific demographic groups that have propensity to be a green consumer, it was identified that such consumers are usually highly educated, come from young and well-educated backgrounds and are such that are willing to spend money on both a green and non-green option with idea that they work for the applied purpose [7]. Marketing strategies in terms of promotion is also very important as studies has reflected that knowledge about such products also increases the likelihood of consumers opting for green products [8]. The FMCG sector in India is dynamic with consumers that have variant range of needs, wants, priorities and tastes [9]. Therefore the present study uncovers the impact of green marketing strategies by brands that sell detergent on consumers and also discuss certain strategies that will accrue benefit for such brands.

## **LITERATURE REVIEW**

Saini, in his paper Green Marketing and its impact on consumer buying behavior" provides an account of the factor of consumer buying behavior is affected by virtue of Green Marketing. This helped the study in identifying what are the reasons why Green Marketing can be a profitable and attractive solution for brands to adopt. Joshi and Rahman, [10] attempted to predict a consumer's green purchase behavior. Their study discusses the "attitude-behavior" inconsistencies was particularly useful to the present study in determining the efficacy of such strategies in context of detergents. Bhatia's [11] work "Green marketing: A study of consumer perception and preferences in India" argues that the awareness and knowledge about green marketing and the public perception of the company's commitment to environmentally friendly procedures had a direct and positive influence on the customer

persuasion to choose to buy and consume a 'Green Product'. Kanonuhwa, [12] in his study "Green marketing and Purchase Behavior of generation Y-Consumers" sought to identify the correlation between younger demographics and the attractiveness of Green Marketing. This study is premised on data collected mostly from a younger group and therefore, this study was a good primer to the current paper. Ottman, [5] work titled "The new rules of green marketing: Strategies, tools, and inspiration for sustainable branding" gives an extremely extensive account of several methods by which companies can incorporate Green Marketing into their brands and products. The methods were useful in understanding the implications of such strategy on prices and other determinants for production and sale of detergents. Ottman et al, [13] in their study "Avoiding green marketing myopia: Ways to improve consumer appeal for environmentally preferable products" established the link between the concept of 'Marketing Myopia' and the process of 'Green Marketing'. Therefore, this has been a crucial part of the study in avoiding common pitfalls for companies when adopting such policies in the detergent market. Elkington,[6] in his study titled "Towards the sustainable corporation: Win-win-win business strategies for sustainable development" was one of the first of its kind to introduce the concept of environmentally sustainable profitability for corporate enterprises. This study gives a detailed account on why brands and companies should adopt such eco-friendly policies in their day-to-day practices. Cherian and Jacob [14] in their study "Green Marketing: A Study of Consumers' Attitude towards Environment Friendly Products" provides a conceptual framework for how several consumer attitudes can be adopted by companies in order to use sustainable and environmentally friendly practices. Fisher, Bashal and Bachman [3] conducted a study on "Demographic impacts on environmentally friendly purchase behaviors" which determines the correlation between age and 'Green Consumer' purchasing behaviors. The study similarly conducts a survey and seeks to identify the factor of age in influencing outlook towards environmental consciousness. "Green Marketing" [2] was a study undertaken by several Greek scholars to understand and study the possibility of adoption of Green Marketing strategies in the timber sector of the company. This study is relevant as even in this study the authors tried to identify the potential of such marketing in a market wherein the prevalence of 'Green Products' is negligible. Suki, [4] seeks to identify through this study entitled "Impacts of corporate social responsibility on the links between green marketing awareness and consumer purchase intentions" the consequence of Green Marketing strategies and how companies seek to fulfill their CSR by virtue of its green sustainability and conservation efforts. CSR is often a strong motivating for FMCG

companies to adopt 'Green Marketing'. In the study regarding, "Consumer responses to environmental advertising in China" [15] there is a detailed explanation of the concept of Green Trust and how the perceived benefits of the Green Marketing are to a potential customer when communicated by the means of promotional advertising. The research paper by Arora and Agarwal, [9] "Strategic Green Marketing and its implication by Hindustan Unilever Limited" is a thorough case study of how HUL can implement certain Green Marketing strategies in their product line. HUL manufactures detergents and therefore, an understanding with respect to such implementation was fruitful for the present study. "An introduction to green marketing" [16] was one of the seminal research works that set the very foundation for theoretical Green Marketing. Its explanation of the concepts and implications on consumer behavior was pertinent to the present study. "Green Marketing Approaches and Their Impact on Consumer Behavior towards the Environment—A Study from the UAE" [17] provides a unique perspective to the current literature on the topic, by restricting the study to the UAE, where Green Marketing is a relatively new concept and sustainability is often not a big factor for consumers. This study has allowed a comparative analysis with the detergent market in India where consumers' base is largely comparable. In "Green marketing in India: Emerging opportunities and challenges" [18] there has been an extensive explanation of the challenges and drawbacks of adopting Green Marketing in India. Such a study has allowed the author to have a more wholistic understanding of the application of Green Marketing in the Indian detergent market.

## **GAP IDENTIFICATION AND OBJECTIVES**

While there have been several studies that deal generally with 'Green Marketing' in general, there is no study that deals with the implications of Green Marketing specifically in context of the detergent industry. Moreover, while studies have previously enshrined on the application of such strategy in India, the opportunities involved, and the drawbacks faced specific to the region it is important to understand this concept in context of the Indian market for detergent products. By virtue of the unique position of the market in India, this study has collected data from 370 respondents by means of survey in an attempt to understand the consumer perception to eco-friendly practices in the industry.

Therefore, in light of this gap in the current literature, this study has the following objectives:

- To understand the hypothesis about 'Green Consumers' being from a younger demographic

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- To understand the general perception among respondents about eco-friendly business practices and promotion of 'Green Products'
- To analyze the factors that determine a consumer's decision and motivation behind choosing a particular detergent
- To understand whether the choice of a particular detergent can be affected by virtue of introducing a 'Green Marketing' strategy and the effect of the same on current brands in the detergent market.
- To understand the degree of 'Green Trust' of consumers regarding claims made during promotion of eco-friendly and sustainable products and preferred mode of such promotion

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### **RESEARCH METHODOLOGY**

#### **Research Design**

The Research method employed by the author in the present study is empirical in nature and hence is a Descriptive Research Design. This is because *firstly* this paper deals with a questionnaire on the topic and then analyses descriptively how respondents react and their perceptions about 'Green Marketing'.

#### **Sample size**

This study has been conducted through the form of a questionnaire with a sample size consisting of 370 respondents from five major metro cities of India, viz. Kolkata, Bangalore, Chennai, Hyderabad, and Mumbai

#### **Sample Methodology**

The sample methodology used is convenient as it is not aimed at a certain geographical or demographical population but is randomly scattered in these cities.

#### **Sources of data**

The primary aim of this type of research is to collect both primary and secondary sources and connect it to the research questions of the study and hence the data used includes primary and secondary data since the inputs for this paper were collected through a questionnaire and the understanding of consumer buying behaviour through the aid of Journals, Articles and online sources. The questionnaire was sent to the mails of the respondents.

**Limitations of the study:**

1. The present study entirely and exclusively depends only on data by 370 respondents from only five metro cities and therefore, is not entirely indicative of the entire consumer market for detergents.
2. The study incorporates data collected by specific respondents over a limited period of time and therefore does not represent the entire understanding of consumers purchase decision in the market.
3. The study is hindered further by the researcher's limited understanding of such a vast topic such as 'Green Marketing'.

**ANALYSIS AND INTERPRETATION**

As previous studies have indicated the target demographic for green marketing is mostly young people. The age was therefore in furtherance of this hypothesis, wherein 87.1% of the respondents were between the ages of 25 to 45. 7.1% was aged above 45 and nearly 5.7% was below the age of 25. A young demographic is suitable for such a study as the strategies, concerned in the study, are limited to India wherein the 18 to 45 age group has the most number of people.

A 'Green Consumer' is one who is environmentally conscious. To understand whether the respondents are conscious of the environmental impact of goods and service that they use on day-to-day basis, it was asked the respondents to check whether they are environmental conscious. A majority, 48.6%, of the respondents considered themselves as environmentally conscious and 47.1% considered themselves as somewhat conscious meaning that they are not yet sure about the same. Only 4.2% said no to the same believing that they were not. This is a good indication as the overwhelming majority said they were environmentally conscious to a certain degree, entirely or merely somewhat. This shows that Green Marketing Strategy has tremendous potential in profit maximisation and sustainable consumerism in India.

The study found that 87.1% of the respondents were aware of eco-friendly products by means of promotional strategies, word-of-mouth etc. 7.1% answered stated 'maybe' showing that they were unsure and only 4% stated that they were unaware of eco-friendly products altogether. This shows that there is a general sense of awareness about eco-friendly and "Green" products with some stating that they were not sure. A large majority nearly 94.3% affirmed that they would like for products and brands to adopt more eco-friendly policies

and Green Marketing Techniques. Only 5.6% have replied saying that they are unsure about the adoption of Green Marketing policies while, none of the respondents have replied saying that they would not prefer for brands and companies to incorporate “green product” policies. This shows that consumers would largely look forward to Green Marketing campaigns by companies and would prefer that eco-friendly products be sold by brands and companies.

Price and the product quality were the major factors while buying a detergent [19]. But in metro cities, 75.7% stated that Green Marketing strategies can be a deciding factor for choosing a particular detergent. The second was price of the detergent, as selected by 74.3%. The next two factors are lower than the first two as stated, wherein 18.6% opted for Advertisements as a factor for purchase and 48.6% determined packaging as a motivating factor. This shows that a reasonable price and ‘Green Marketing’ are largely the two factors that can persuade a person to choose a certain detergent over its competitors.

The study found that if factors like price, quality, and packaging are kept largely identical between two detergents then “Green Marketing” is the determinant factor for choosing a certain detergent over the other. To this, 92.9% said that they would choose the “Green” detergent over the other, if the products are otherwise highly identical. This shows that “Green Marketing” can give a **competitive edge** in the detergents market where quality, price and packaging is mostly similar between the competitors.

It was observed that 44.3% said that they were not sure that which brand is more environmental friendly among the existing brands, 27.1% chose Surf Excel, 14.3% chose Ariel, 10% chose Tide and merely 6.7% chose Nirma. This shows that there has to be more awareness of Green Marketing through promotional activities in the detergent sector and companies such as Nirma and Tide can gain advantage over the predominant market-share holders such as Surf Excel and Ariel. The consumers wanted the ‘green marketing’ campaign should be run various platforms to make the consumers aware of the products and their features that are environmental friendly. 55.7% of the consumers said that Social media promotion campaigns, while 25.7% chose Newspapers and TV are the better media to promote the green products. Only 7.1% chose website as the appropriate medium to promote ‘Green Products’ showing it is not the suitable media for promotion in this market. It is also imperative that to what extent the companies are actually implementing what they promise in their promotions. The study has shown that 47.1% was not sure whether what is mentioned in the promotions is implemented, 24.3% said that most of the detergent companies are not

implementing what they promise and 28.6% said that the manufacturers are actually implementing the green policies what they are promising.

## **FINDINGS**

The study found that green marketing strategy has tremendous potential in profit maximisation and sustainable consumerism in India as a majority of the population falls within this category and is mostly, young. The general perception towards Green Marketing is also largely positive. 87.1% of the respondents were aware of eco-friendly products by means of promotional strategies, word-of-mouth etc. Hence, showing that there is a general sense of awareness about eco-friendly and “Green” products. This is extremely positive as it allows for large corporations to seriously consider the application of ‘Green Marketing’ when positioning detergents. The study also found that Age (0.451), Income (0.628), Education (0.678), Social status (0.443), are positively correlated with the purchase of environmentally friendly detergents where as Family size (-0.351), is negatively correlated with the purchase of environmentally friendly detergent. All the correlations are statistically significant hence represent the correction between the variables.

## **DISCUSSION**

Current levels of corporate and consumer habits are not sustainable in the long run for the environment and therefore, there is an inherent need for ‘Green Marketing’ from both an ethical and commercial standpoint. This study has sufficiently proven that ‘Green Marketing’ can affect severely the choice of consumers and can have a direct impact on the profitability of the company. This is especially important in the detergent sector wherein the production of such material is environmentally very taxing.

Brands and companies can use the following measures to adopt ‘Green Marketing’ [11]:

- i. Use infrastructure that is energy and water efficient for manufacture of the detergents
- ii. Limit hazardous emissions going into the local ecological systems
- iii. Make the packaging durable and biodegradable and allows for customers to use 3Rs
- iv. Do environment audits to identify the lacunae in the production, packaging, promotion stages of the product

Moreover, Green Marketing is a rather dynamic and continuous process that does not merely depend on the company instituting the same but also the societal perceptions of such strategy



and the regulatory framework for such adoption [4]. It is important to keep in mind that awareness and transparency can improve and increase the number of people who are willing to pay a little extra to ensure that they are “green consumers”. This is only in the benefit of the environment, the manufacturer and the consumers.

Lack of communication and awareness regarding green products has often been attributed as a major factor that has led to detriment of ‘Green Marketing’ [14]. This too has been sufficiently proven as majority of the respondents were unsure of which brand is likely to adopt “Green Marketing” in the Indian detergent market. There is also a valid explanation of the low degree of ‘Green Trust’ as exhibited in the current study. Chan [15] makes an analysis regarding the same that *“The vague arguments to substantiate the environmental claim, the advertiser of the advertised product does not bear an eco-friendly image and the alleged eco-friendliness of the advertised product does not match with the respondent’s previous consumption experience”*. Therefore, campaigns through social media, which is the preferred means of media for Gen Z “Green Customers” can in large measure lead to a more successful Green Marketing Strategy.

## **CONCLUSION AND SCOPE FOR FUTURE RESEARCH**

This particular study was conducted by virtue of a very limited populace i.e., 370 respondents and it might not entirely serve the purpose of the paper in determining and understanding consumer behaviour towards to purchase of detergent in India as a whole. Extensive research and survey of the majority of the population, segregated by income class would further provide a comprehensive overview which will help in scrutinizing the different marketing strategy adopted by the companies to attract a different segment of the population and the factors taken into consideration before purchasing a detergent and how the Green Product can make a dent on the consumers choice of a detergent.

Furthermore, more research can be carried into specifically what steps can companies take in order to undertake and perform a ‘Green Marketing’ campaign in the detergent industry. Such study can also weight the pros and cons of the current players in the Indian detergent market and how each of them can favourably optimise their framework to incorporate ‘Green Marketing’.

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