

Factors Forming the Consumers' Intention to Pay More for Green Products

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ABSTRACT - Environmental issues are no longer uncommon in a country as densely populated as India. It has been decades since the government, enterprises and companies, as well as stakeholders, have worked to ensure consistent and sustainable economic growth with minimal environmental degradation. Environmental degradation, climate change, and global warming are examples of challenges that have prompted producers and consumers to be concerned about environmental protection. The purpose of this study is to find out the factors forming eager consumers are to pay more for Green products. Through research, it was discovered that respondents' education, income levels, age group, and occupational status have very little impact on their environmental concerns when purchasing Green products.

KEYWORDS: GREEN PRODUCTS, ENVIRONMENTAL DEGRADATION, WILLINGNESS TO PAY MORE, ENVIRONMENTAL CONCERN

I. INTRODUCTION

1.1 MEANING

Two complex phenomena that affect each other in the cycle of life are the people and environment. These two variables both have the power to influence and to harm.

Today, we can see the results of the toxic relationship between these two interconnected problems in the degradation of nature and ecological processes, as a result of which many people have lost their lives.

For this purpose, along the lines of "Green Thinking", numerous disciplines have grown. In light of this, the conventional marketing discipline has also been restructured to make it more environmentally conscious, and the idea of Green marketing has arisen as a result.

Green Marketing refers to all encompassing marketing concept wherein the production, marketing consumption and transfer of items and administrations happen in a way that's less negative to the environment with developing

- Use Green energy (such as wind and geothermal)
- Reduce production waste (in both energy and materials)
- Use eco-friendly methods, including sustainable and organic agriculture
- Buy/sell locally, reducing transportation energy
- Reduce product packaging
- Make products reusable and recyclable

A Green product is indicate as naturally produce, biodegeneratable non-toxic, nonexperimental on living thing, pollution free, nominally packed with natural and

mindfulness around the implications of global warming, non-biodegradable solid waste, destructive affect of toxins, etc.

Green marketing, which is focused on the value and preservation of nature, all modes of life and the dignity of society, is identified as crucial use of limited natural sources without developing new consumption areas.

1.2 MEANING AND CHARACTERISTICS OF GREEN PRODUCTS

Green product is characterize as a item that deliver restricted carbon footprints; they may require less resources to produce, consume less energy or transmit less unsafe outflows. Green product is additionally an item that's non poisonous, water-efficient, additionally recyclable and biodegradable.

Green opportunity

- Use recycled materials in product production

permitted factors (Ottman, 1993). Environmentally friendly activities deal, for instance, with better pollution controls, energy-efficient operations, and recycled materials (Kotler & Armstrong, 2009).

NEED OF THE STUDY

The purpose of this study is to determine the factors of consumers' willingness to pay more for Green products in Uttarakhand. Eco-friendly, eco-friendly, nature-friendly and Green marketing are terms used to describe goods and services, as well as harmless laws, standards and policies

for our ecosystem or the environment. Green marketing (selling Green products) refers to a range of activities aimed at protecting consumer interests, preserving the environment and meeting customer needs, requirements and preferences. Consumers today are more concerned with their personal safety and want everything to be eco-friendly for a Greener world.

II. REVIEW OF LITERATURE

Ankit Gandhi (2012) in his paper titled “**Green marketing: a study of consumer buying behavior with regards to eco friendly products in Gujarat**”. Researcher used questionnaire method to 50 randomly selected respondents. Researcher concluded that most consumers spending pattern shows that they have a desire for brands that go Green. Consumers not only want to buy their products but are willing to pay more for it. Eco friendly products are independent of age-group, income-group, occupation and qualification.

Sarvjeet Kaur (2014) in his paper titled “**Green marketing and Indian consumer behavior**” concludes that tackling mass poverty is the first thing that is happening and it should be the first thing that the country emphasizes. If business leaders there recognize the vast potential that Green business has, and then decide to invest time, money and efforts the world would only benefit.

Mayukh Thakur (2016) in his paper titled “**impact of Green marketing on consumer behavior in modern world-a case study with reference to retail and consumer durables**” conclude that the Green products required renewable and recyclable material which is costlier and is not affordable by common man. Consumer awareness must be created by corporate by transmitting the message among consumers about the benefits of environmental friendly products and services. In Green marketing consumers are even willing to pay more to maintain a cleaner and Greener environment.

A. Akshaya Raj (2020) in his paper titled “**consumer awareness towards Green products**” concludes that awareness level on the usage of Green products among the people is very limited. There is a need to educate the people on the usage of Green products and on identifying the Green attributes of products they use.

Naz, Farheen & Magda, Robert. (2019) in her paper “**Indian consumer's purchasing behavior towards eco-friendly products**”. The findings of this study revealed that education level does not affect the concern for environment protection when buying the eco-friendly products. The analysis showed that the willingness to pay for Green products was also influenced by income level of the consumers.

Shamsi, Mohd. Salman & Siddiqui, Zainus Salikin. (2017) Studied the relationship between green product usage and purchasing intent and demographic factors (age, gender, income and educational qualification). Regardless

of their demographics, consumers are expected to purchase green products. However, education level is the only demographic characteristic that is linked to the use of green products.

According to Brown, (2003) human intention to buy Green products is a potent force to buy Green products. It is also concluded that the consumers which have higher intention to buy Green products are actually more prone to buy Green products rather than the people which have no intention to buy Green products.

III. OBJECTIVE OF THE STUDY

- To find out the intention of Consumers to pay more for Green products.

IV. HYPOTHESIS

H1-There is no significant relationship between intention to pay more for Green products and educational qualification.

H2-There is no significant relationship between intention to pay more for Green products and income level.

H3- There is no significant relationship between intention to pay more for Green products and age group.

H4- There is no significant relationship between intention to pay more for Green products and occupation.

V. RESEARCH METHODOLOGY

To accomplish the study's aims, a descriptive research was conducted, which included the collecting of both secondary and primary data. The primary data was collected from respondents of Nainital district of Uttarakhand through a questionnaire created for a sample of 200 respondents from the Nainital representative, both genders, various age groups, educational levels, and annual income. For testing consumer awareness of Green products, a structured questionnaire was constructed. The information gathered from the respondents is compiled and analyzed using percentages and cross tabulation and chi-square test into logical statements. Personal telephonic interviews and observations were also made for further clarification. Ms Excel and SPSS were used to perform the necessary analysis of the data.

VI. DATA ANALYSIS

(Source: Primary data)

Table 1: Respondent profile		Frequency	Percentage
Gender	Male	94	47
	Female	106	53
Age	18-24	92	46
	25-35	73	36.5
	36-50	20	10.0
	50 above	15	7.5
Education	High school	09	4.5

	Senior secondary	34	17.0
	Graduate	65	32.5
	Post graduate or higher	92	46.0
Annual income	Less than 2.5 lakh	106	53.0
	2.5 – 5 lakh	35	17.5
	5-10 lakh	26	13.0
	More than 10 lakh	33	16.5
Occupation	Self employed	69	34.5
	Homemaker	38	18.0
	Service	36	19.0
	Student	57	28.5
Green user	Yes	133	66.5
	No	30	15.0
	Often	37	18.5

The demographic classification and its respective frequency distribution are being presented in the table 1. The demographics of the respondents have been classified into categories as follows;

- Gender- It is found that the dominating Category belongs to female (53.0 per cent).
- Age-It is inferred from the above table that out of 200 respondents, the majority of the respondents (36.5 per cent) belong to the age group of 25-35 years.
- Education level- Dominating Category of the respondents belonged to the post graduate or higher degree (46.0 per cent).
- Annual income- Majority of the respondent’s annual Earnings was below 2.5 lakh (53.0 per cent).
- Occupation- Dominating Category of the respondents belonged to the occupational status of self employed (34.5 per cent).
- Green users- 66.5% of respondents consider themselves Green users while 15% do not consider themselves Green users and 18.5 % often purchased Green products.

Table 2.1 is showing the relation between intentions to pay more for Green products with education level of respondents.

H1-There is no significant relationship between intention to pay more for Green products and educational qualification.

Table 2.1			EDUCATION				TOTAL
			HIG H SCHOOL	SENIOR SECONDARY	GRADUATE	POST GRADUATE	
PAY MORE	Y	Count	2	8	11	12	33
		%	6.1%	24.2%	33.3%	36.4%	100.0%
	N	Count	7	26	54	80	167

	Count					
	%	4.2%	15.6%	32.3%	47.9%	100.0%
Total	Count	9	34	65	92	200
	%	4.5%	17.0%	32.5%	46.0%	100.0%

CHI-SQUARE TEST			
	VALUE	df	ASYMP. SIG. (2-SIDED)
PEARSON CHI-SQUARE	2.240 ^a	3	.524
NO. OF VALID CASES	200		

The χ^2 test has been applied to find out the association between education and intention to pay more for Green products. The Pearson Chi-square value is 2.240 with df 3 at 5 percent level of significance. This indicates that the null hypothesis formulated is accepted and it is shown in Table 2.1. Hence, there is no strong relation between consumers’ intention to pay more with their education level.

Table 2.2 is showing the relation between intentions to pay more for Green products with income level of respondents.

H2-There is no significant relationship between intention to pay more for Green products and income level.

Table 2.2			INCOME LEVEL OF RESPONDENTS				TOTAL
			BELOW 2.5 LAKH	2.5-5 LAKH	5-10 LAKH	ABOVE 10 LAKH	
PAY MORE	YES	Count	21	5	1	6	33
		%	63.6%	15.2%	3.0%	18.2%	100.0%
NO	Count	85	30	25	27	167	
	%	50.9%	18.0%	15.0%	16.2%	100.0%	
TOTAL		Count	106	35	26	33	200
		%	53.0%	17.5%	13.0%	16.5%	100.0%

CHI-SQUARE TEST			
	VALUE	df	ASYMP. SIG. (2-SIDED)
PEARSON CHI-SQUARE	4.058 ^a	3	.255
NO. OF VALID CASES	200		

The cross-tabulation of two variables, i.e., income level of consumers and intention to pay more are explained in table

2.2. The above table shows that calculated Chi Square value is 4.058 with df 3. Since calculated value is less than the required 0.05 level of significance, signifies that there is no association between the two variables. It means we accept null hypothesis. Hence, there is no strong relation between consumers' intention to pay more with their income level of the consumers.

Table 2.3 is showing the relation between intentions to pay more for Green products with income level of respondents.

H3-There is no significant relationship between intention to pay more for Green products and age group.

Table 2.3			PAYMORE		TOTAL
			YES	NO	
AGE	18-24	COUNT	21	71	92
		% WITHIN AGE	22.8%	77.2%	100.0%
	25-35	COUNT	10	63	73
		% WITHIN AGE	13.7%	86.3%	100.0%
	36-50	COUNT	2	18	20
		% WITHIN AGE	10.0%	90.0%	100.0%
	50 ABOVE	COUNT	0	15	15
		% WITHIN AGE	0.0%	100.0%	100.0%
TOTAL		COUNT	33	167	200
		% WITHIN AGE	16.5%	83.5%	100.0%

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.666 ^a	3	.083
N of Valid Cases	200		

The cross-tabulation of two variables, i.e., age group of consumers and intention to pay more are explained in table 2.3. The above table shows that calculated Chi Square value is 6.666 with df 3. Since calculated value is less than the required 0.05 level of significance, signifies that there is no association between the two variables. It means we accept null hypothesis. Hence, there is no strong relation between consumers' intention to pay more with their age group.

Table 2.4 is showing the relation between intentions to pay more for Green products with occupation of respondents.

H4-There is no significant relationship between intention to pay more for Green products and occupation.

Table 2.4			PAYMORE		TOTAL
			YES	NO	
OCCUPATION	SELF-EMPLOYED	COUNT	14	55	69
		% WITHIN OCCUPATION	20.3%	79.7%	100.0%
	SERVICE	COUNT	3	33	36
		% WITHIN OCCUPATION	8.3%	91.7%	100.0%
	HOMEMAKER	COUNT	5	33	38
		% WITHIN OCCUPATION	13.2%	86.8%	100.0%
	STUDENT	COUNT	11	46	57
		% WITHIN OCCUPATION	19.3%	80.7%	100.0%
TOTAL		COUNT	33	167	200
		% WITHIN OCCUPATION	16.5%	83.5%	100.0%

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.094 ^a	3	.377
N of Valid Cases	200		

The χ^2 test has been applied to find out the association between occupation and intention to pay more for Green products. The Pearson Chi-square value is 3.094 with df 3 at 5 percent level of significance. This indicates that the null hypothesis formulated is accepted and it is shown in Table 2.4. Hence, there is no strong relation between consumers' intention to pay more with their occupation level.

SUGGESTIONS

- Promoters of green products must come up with some new cost-cutting and price-cutting strategies, as high prices have been identified as the most significant obstacle preventing most consumers from acquiring such products.
- As the factors require effective significance, the invention and persuasion process of green durables should be given more relevance.

VII. CONCLUSION AND DISCUSSION

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Robert Dahlstrom (2011) examined that Green marketing has positive influences on multiple participants in the economy. The environment, developing economies, consumers, corporate strategy, the product, production processes, and supply chain benefit from Green marketing. Consumer researchers addressing Green marketing have focused on the conditions that increase the potential for consumers to act in an ecologically responsible manner, and they recognize marked variety among consumer interpretations of this responsibility. The purpose of this research is to look at consumers' willingness to pay extra for Green products for purchasing Green products.

It was discovered through research that education, income levels of respondents, age group and occupational status have no relation on environmental concern while purchasing Green products. In terms of consumption habits, awareness of environmentally friendly goods is equally crucial. It was also found that consumers feel optimistic about buying Green products while 'willingness to pay more' factor play a significant influence in influencing their buying decisions. The conclusions of this study differ significantly from those of earlier studies. Marketers can make judgments based on the study's unique findings. Marketers can use this data to choose target markets and create marketing strategies.

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