

Consumers' perception analysis-Market awareness towards eco-friendly FMCG products-A case study of Mysore district

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Abstract: In recent days, environmental issues have received a great deal of discussion in the field of marketing. When the society becomes more concerned with the natural environment, businessmen have begun to modify their behavior to address the society's new concern. With the growing awareness about the implication of global warming, non-bio degradable solid waste, harmful impact of pollutants etc, both marketer and consumers are switching to eco-friendly products and many companies have accepted their responsibility not to harm the environment and not to waste the natural resources. The research study took place in Mysore district of Karnataka. A questionnaire is designed in order to find out the market awareness of eco-friendly products, to analyze the consumer perception towards eco-friendly products and also to find a response that how much consumers' are willing to pay more for eco-friendly products. The result from this illustrates that whether the price and quality will affect their buying decision.

Key words: Eco-friendly products, consumer perception, eco-label, social responsibility.

I. Introduction:

Due to increase in global warming and climate change the public concern for environmental issues is gradually increased over the past decades. The customers are started demanding eco-friendly products and they pay more attention to the environment, wealth and health. The companies are started adopting green marketing practices in their activities as a part of social responsibility and they were trying to reach the customers with their green messages. The "Green movement" then has entered the mainstream status in many developed countries, where eco-friendliness is becoming a major consumer preference among the best living in such nations. But though in India, the green movement has started in the late 1990s and 2000s, it was still in the infancy stage. Eco-friendly products are those products that will not pollute the earth or deplore natural resources, product which can be recycled or conserved, products with natural ingredients, products containing organic elements and products contents under approved chemical.

Fast Moving Consumer Goods (FMCG) is considerably a large sector in the Indian economy. FMCG also known as Consumer Packaged Goods (CPG), are products that are sold quickly at relatively low cost. Though the absolute profit made on FMCG products is relatively small, they generally sell in large quantities, so the cumulative profit on such products can be large. In India the FMCG sector has to open their eyes on eco-friendliness.

Consumer Perception is defined as the way that customers usually view or feel about certain services and products. It can also be related to customer satisfaction which is the expectation of the customer towards the products.

II. Literature Review:

Environmental marketing is also known as Green Marketing, sustainable marketing and ecological marketing. **The American Marketing Association (AMA)** "Green marketing is the marketing of products that are presumed to be environmentally safe. It incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising". Worldwide evidence indicates people are concerned about the environment and are changing their behavior accordingly (Polonsky, 1994). (Brudtland commission, 1987), development that meets the needs of the present without compromising the ability of future generations to meet their own needs (Rowell, 1996). Green or environment marketing consist 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 (Polonsky 1994). (Peattie (2001), described evolution of Green marketing in 3 phases. First phase is termed as "Ecological" green marketing and during this period all marketing activities are concerned to help environmental problems and provide remedies for environmental problems. Second phases "Environmental" green marketing and the focus shifted on clean technology that involved designing of innovation new products, which take care of pollution and waste issues. Third phase was "sustainable" green marketing came into prominence in the late 1990s and early 2000. "Product that

incorporates the strategies in recycling or with recycled content, reduced packaging or using less toxic materials to reduce the impact on the natural environment is known as Green products or eco-friendly products (Elkington, 1999). There is a growing interest among the consumers all over the world for protection of the environment. The green consumers are the main motivating force behind the green marketing process. It is their concern for environment and their own well being that drives demand for eco-friendly products, which in turn encourages improvements in the environment performance of many products and companies (Sudir Sachdev,2011). FMCG sector is a considerably large sector in the economy which has to open their eyes on eco-friendliness. The FMCG sector is one of the growing industries that concern about the green marketing issues (Ramanakumar, 2012). Green marketers can attract customers on the basis of performance, money savings, health and convenience or just plain environmental friendliness, so as to target a wide range of green consumers.

Objectives:

1. To study the market awareness of eco-friendly FMCG products.
2. To analyze the consumers' perception towards eco-friendly FMCG products.
3. To find out the consumer willingness to pay more for eco-friendly FMCG products.

Hypothesis:

1. H1: "There is a significant relationship between product quality and consumer perception towards eco-friendly FMCG product".
2. H2: "There is a significant relationship between price and consumer perception towards eco-friendly products".

Research methodology:

Research design:

The study is empirical in nature as the study aims to find out the consumers' awareness and perception towards eco-friendly FMCG products. The study is carried out with a survey through a structured questionnaire.

Data collection technique:

Collection of data for the purpose of the research study is in the form of primary data and secondary data, as the study being empirical in nature. Primary data is collected through the face to face interview with the help of structured questionnaire. Secondary data is collected through website published articles; focus group transcript, news paper and relevant journals etc. mainly to highlight the conceptual analysis of eco-friendly products.

Designing the questionnaire:

Questionnaire is designed in such a way that there are several questions included for studying the objectives of the research. The questions includes firstly on the demographic factors of the respondents, secondly on the awareness towards eco-friendly FMCG products, thirdly on the consumer perception towards the product and lastly at the consumers' willingness to pay more for eco-friendly FMCG products. The questions are designed on the basis of close ended and Likert Scales which have five scales like strongly agree, agree, undecided, disagree, strongly disagree is used for the study.

Sampling design:

The sampling technique involved is convenient sampling. Convenience Sampling is a non-probability sampling technique where subjects are selected because of their convenient accessibility proximity to the researcher. This sample is used because it allows the researcher to obtain basic data and trends regarding his study without the complications of using a randomized sample. This sampling technique is also useful in documenting that a particular quality of a substance or phenomenon occurs within a given sample. Such studies are very useful for detecting relationships among different phenomena.

Sampling size of the study:

The sample size considered for the study is 60. The respondents are selected from the district of Mysore.

III. Data Analysis And Interpretation:

1. Age of the respondents:
Age is an important factor in arriving at a good decisions and implementing the decisions. The respondents are classified into four groups viz, below 25, 26-35, 36-45, above 46.

Table 1. Showing age of the respondents

	Frequency	Percent	Valid percent	Cumulative percent
Valid below 25	12	20.0	20.0	20.0
26-35	28	46.7	46.7	66.7
36-45	14	23.3	23.3	90.0
Above 46	06	10.0	10.0	100.0
Total	60	100	100	

From the table 1, it is clear that 20% of the respondents fall under the age group of below 25 years, 46.7% of the respondents fall under the age group of 26-35 years, 23.3% of the respondents fall under the age group of 36-45 years, 10% are under the age group of above 46.

2. Gender

Gender has been classified into two groups viz. male and female.

Table 2. Showing gender of the respondents

	Frequency	Percent	Valid percent	Cumulative percent
Valid Male	43	71.7	71.7	71.7
Female	17	28.3	28.3	100.0
Total	60	100.0	100.0	

From the table 2, it is clear that 71.7% of the respondents are male and 28.3% of the respondents are female. The majority of respondents are belonging to male category.

3. Education :

It is classified into two groups' viz. under graduation and post graduation.

Table 3. Showing education status of the respondents

	Frequency	Percent	Valid percent	Cumulative percent
Valid Under graduation	36	60.0	60.0	60.0
Post graduation	24	40.0	40.0	100.0
Total	60	100.0	100.0	

From the table 3, indicates that 60% of the respondents are having under graduation, 40% of the respondents are having post graduation.

4. Status:

It is classified into 5 groups viz, Students, Employee, Self Employed, Professionals & Other

Table 4. Showing status of the respondents

	Frequency	Percent	Valid percent	Cumulative percent
Valid Student	10	16.7	16.7	16.7
Employee	16	26.7	26.7	43.3
Self employed	11	18.3	18.3	61.7
Professionals	9	15.0	15.0	76.7
Others	14	23.3	23.3	100.0
Total	60	100.0	100.0	

The above table 4 indicates that 16.7% of the respondents are students, 26.7% of employee, 18.3% of the respondents are self employed, 15% of them are professionals, 23.3% of the respondents are belong to other groups.

5. Family size:

The size of the family was studied under four different categories. They are less than 3, 4members, 5members and More than 5 in a family.

Table 5. Showing the size of the family

	Frequency	Percent	Valid percent	Cumulative percent
Valid Less than 3	4	6.7	6.7	6.7
4 members	28	46.7	46.7	53.3
5 members	17	28.3	28.3	81.7
More than 5	11	18.3	18.3	100.0
Total	60	100.0	100.0	

The above table 5, clearly shows that 6.7% of the respondents are having family size of less than 3 members, 46.7% of them are having 4 members, 28.3 of them are having 5 members, and 18.3% of the respondents are having family size of more than 5 members.

6. Annual income

Income is an important factor because each and everything is based on income. The respondents' income is studied under four different categories they are less than 50000, 50001-100000, 100001-150000, and more than 150001.

Table 6 Showing annual income of the respondents

	Frequency	Percent	Valid percent	Cumulative percent
Valid Less than 50000	2	3.3	3.3	3.3
50001-100000	1	1.7	1.7	5.0
100001-150000	15	25.0	25.0	30.0
More than 150001	42	70.0	70.0	100.0
Total	60	100.0	100.0	

The table 6, shows that 3.3% of the respondents are having annual income of less than 50000, 1.7% of having 50001-100000 income, 25% of them are having 100001-150000 income, 70% are having income more than 150001.

7. Level of awareness

It is very important to know the level of awareness towards eco-friendly FMCG products.

Table 7. Showing level of awareness towards eco-friendly FMCG products

Awareness				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid completely know	13	21.7	21.7	21.7
somewhat know	40	66.7	66.7	88.3
not know	7	11.7	11.7	100.0
Total	60	100.0	100.0	

The table reveals that nearly 21.7% of the respondents are completely aware about eco-friendly FMCG products, 66.7% of the respondents are somewhat know about the topic and remaining 7% are not aware about the eco-friendly FMCG products.

Table.8 Survey questionnaires provided to the respondents:

Questions		Frequency	Percent	Valid percent	Cumulative percent
Are you aware that purchasing eco-friendly FMCG products will contribute to sustainable future?	Yes	47	78.3	78.3	78.3
	No	13	21.7	21.7	100.0
	Total	60	100.0	100.0	

Going through this question we came to know that 78.3% are aware that their purchase eco-friendly FMCG products will contribute to sustainable future.

Table.9 Survey questionnaires provided to the respondents:

Questions		Frequency	Percent	Valid percent	Cumulative percent
As a consumer while purchasing a product you consider its effect on the environment?	Yes	50	83.3	83.3	83.3
	No	10	16.7	16.7	100.0
	Total	60	100.0	100.0	

Nearly 83.3% of the respondents have stated that as a consumer they considered its effect on the environment while making the purchase decision.

Table.10 Survey questionnaires provided to the respondents:

Questions		Frequency	Percent	Valid percent	Cumulative percent
Do you consider your purchase eco-friendly FMCG product is correct from the environmental point of view?	Yes	41	68.3	68.3	68.3
	No	19	31.7	31.7	100.0
	Total	60	100.0	100.0	

From this table we came to know that nearly 68.3% of the respondents will consider their purchase eco-friendly FMCG product is correct from the environmental point of view.

Table.11 Survey questionnaires provided to the respondents:

Questions		Frequency	Percent	Valid percent	Cumulative percent
Do you consider your product and its package are designed to be recycled before making a purchase?	Yes	39	65.0	65.0	65.0
	No	21	35.0	35.0	100.0
	Total	60	100.0	100.0	

Going through this question we came to know that 65% of the respondents consider their product and its package are designed to be recycled before making a purchase decision. But 35% of the respondents will not consider their product and its package are designed to be recycled.

Table.12 Survey questionnaires provided to the respondents:

Questions		Frequency	Percent	Valid percent	Cumulative percent
Your purchase decision changes when you see the label of a product eco-friendly?	Yes	43	71.7	71.7	71.7
	No	17	28.3	28.3	100.0
	Total	60	100.0	100.0	

Nearly 71.7% of the respondents stated that their purchase decision changes when they see the label of a product eco-friendly. But 28.3% of the respondents said that their purchase decision will not change when they see the product eco-label.

Table.13 Survey questionnaires provided to the respondents:

Questions		Frequency	Percent	Valid percent	Cumulative percent
Do you easily find the eco-friendly FMCG products in the market?	Yes	41	68.3	68.3	68.3
	No	19	31.7	31.7	100.0
	Total	60	100.0	100.0	

It is stated that nearly 68.3% of the respondents easily identify the eco-friendly FMCG products in the market. But 31.7% of the respondents stated that there is lack of information in identifying eco-friendly FMCG products.

Table.14 Survey questionnaires provided to the respondents:

Questions		Frequency	Percent	Valid percent	Cumulative percent
Do you feel there is enough information about eco-friendly FMCG product features while buying the products?	Yes	35	58.3	58.3	58.3
	No	25	41.7	41.7	100.0
	Total	60	100.0	100.0	

Nearly 58.3% of the respondents stated that there is enough information about eco-friendly FMCG product. But 41.7% of the respondents said that there is lack of information about eco-friendly FMCG products while buying the product.

Table.15 Survey questionnaires provided to the respondents:

Questions		Frequency	Percent	Valid percent	Cumulative percent
Do you consider the quality/performance of eco-friendly FMCG products is better than conventional product?	Yes	53	88.3	88.3	88.3
	No	7	11.7	11.7	100.0
	Total	60	100.0	100.0	

It is stated that 88.3% of the respondents consider the quality/performance of eco-friendly FMCG product is better than conventional product.

Table.16 Survey questionnaires provided to the respondents:

Questions		Frequency	Percent	Valid percent	Cumulative percent
Do you agree that the price of eco-friendly FMCG products is supposed to be higher?	Yes	58	96.7	96.7	96.7
	No	02	3.3	3.3	100.0
	Total	60	100.0	100.0	

Nearly 96.7% of the respondents agree that the price of eco-friendly FMCG products is supposed to be high.

Table.17 Survey questionnaires provided to the respondents:

Questions		Frequency	Percent	Valid percent	Cumulative percent
How much are you willing to pay more for eco-friendly FMCG products?	0 %	22	36.7	36.7	36.7
	1-5%	34	56.7	56.7	93.3
	6-10%	3	5.0	5.0	98.3
	11-20%	1	1.6	1.6	100.0
	Above 30%	0	0	0	
	Total	60	100.0	100.0	

Nearly 56.7% of the respondents are willing to pay 1-5% more for eco-friendly FMCG products, 5% of the respondents are willing to pay 6-10% more for eco-friendly FMCG products, only 1.6% of the respondents are willing to pay 11-20% more for eco-friendly FMCG products and non of the respondents are not willing to pay above 30% more for eco-friendly FMCG products.

Table 18 Perception towards eco-friendly FMCG products

Statements	Mean	Standards deviation
1. Are eco-friendly FMCG products are good for environment	3.2500	.89490
2. I want to preserve the earth from the pollution	3.3667	.80183
3. Are healthy	3.5500	.87188
4. I understand the information on eco-friendly FMCG product	3.4000	.92425
5. I pay attention to eco-friendly advertising	3.2667	.70990
6. I believe in the eco-friendly advertising	3.3500	.89868
7. Eco-friendly FMCG products are easily identifiable	3.2333	1.06352
8. I recommend eco-friendly FMCG products to my friends /family	3.6167	.82527
9. Overall satisfaction with your Eco-friendly FMCG products	3.7000	.74333
10. I am proud about the eco-friendly FMCG product	3.9500	.72311

From the table 18, it is clear that nearly 40% of the respondents are agreed with the statement ‘Are eco-friendly FMCG products are good for environment’, 35% of the respondents are agreed with the statement ‘I want to preserve the earth from the pollution, 48.3% of the respondents said that eco-friendly FMCG products are healthy, 38.3% of the respondents said that they understand the information on eco-friendly FMCG product, 30% of the respondents said that they pay attention to eco-friendly advertising, nearly 46.7% of the respondents believe in the eco-friendly advertising, 18.3% of the respondents said that it is not easy to identify the eco-friendly FMCG product but 38.3% of the respondents agreed with the statement, 48.3% of the respondents agreed with the statement ‘ I recommend eco-friendly FMCG products to my friends/family, 60% of the respondents satisfied with eco-friendly FMCG products and nearly 53.3% of the respondents agreed with the statement ‘ I am proud about the eco-friendly FMCG product’.

IV. Testing of Hypothesis:

Hypothesis 1:

“There is a significant relationship between product quality and consumer perception towards eco-friendly FMCG products”.

Inference: Chi-square calculated is 31.833. The hypothesis is tested at 5% level of significance. In this hypothesis chi-square calculated is 31.833 is greater than chi-square table value 9.487. Thus we can accept the hypothesis.

Analysis: It is proud from the above hypothesis that there is a significant relationship between product quality and consumer perception towards eco-friendly FMCG products.

Hypothesis 2:

“There is a significant relationship price and consumer perception towards eco-friendly FMCG products”

Inference: Chi-square calculated is 37.50. The hypothesis is tested at 5% level of significance. In this hypothesis chi-square calculated is 37.50 is greater than chi-square table value 9.487. Thus we can accept the hypothesis.

Analysis: It is proud from the above hypothesis that there is a significant relationship between price and consumer perception towards eco-friendly FMCG products.

Findings:

1. Nearly 93.3% of the respondents are having awareness about the eco-friendly FMCG products. Therefore Mysore district consumers are more aware about the product.
2. 68.3% of the respondents consider their purchase is correct from the environmental point of view.
3. Nearly 65% of the respondents consider their product and its packages are designed to be recycled while making a purchase decision.
4. Eco-label is considered as a major tool in identifying eco-friendly FMCG products. Nearly 71.7% of the respondents purchase decision changes when they see the label eco-friendly.
5. More information is required while buying the eco-friendly FMCG product.
6. Most of the respondents are satisfied with the quality/performance of the eco-friendly FMCG product compared with conventional product.
7. The price of the eco-friendly FMCG product is higher when it is compared with non eco-friendly FMCG product and only 63.3% are willing to pay more for the product.

V. Conclusion:

Going green has become the new success mantra and is being discussed by people from all walks of life. The above study indicates that the consumers of Mysore district of Karnataka are aware about the eco-friendly FMCG products and they have more concern for eco-friendly products. The study shows they are identifying the eco-friendly FMCG products through the eco-label and therefore it can be considered as a major tool for Environmental marketing. The government, the organization and the customers has to put hands together in creating awareness of eco-friendly products.

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