



Green Marketing: An Indispensable Component of Marketing in the 21st Century to Gain Customer Loyalty

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Abstract— Individuals appealing and the concern towards the environment have given a new direction for the organization to create products which are environmentally friendly and cater to the needs of the changing behavioral pattern of the customers. So the marketing of the 21st century has become a little tough for the company to market their products keeping the objectives of environmental friendliness, product quality, corporate image, customer satisfaction intact in order to gain customer loyalty. It is also the result of a successful marketing strategy in competitive markets that creates value for consumers. So the organization has increased their rate of targeting consumers who are concerned about the tomorrows' better environment. This green- friendliness has made a shift from a traditional marketing to a new evolved concept called "green marketing", which refers to the concept wherein the production, marketing and consumption takes place with less harmful to the environment. Thus green marketing is considered to be an inherent responsibility of any firm to keep the environment healthy. This present study aims to explain the concepts of green marketing, customer willingness to buy green products and explore the relationships among the inward and outward environmental attitude, green product quality, green corporate image, green customer satisfaction, and customer loyalty towards green product. Such premise is addressed in this exploratory research design utilizing the data collected from 106 consumers who are using the green or environmental friendly products, were identified as the subjects of this study in the twin cities of Hyderabad and Secunderabad. By considering the effect of green marketing upon consumers' satisfaction and the effect of such satisfaction upon their loyalty for the green products, it is found that companies can create competitive advantage in their organization through green marketing as a part of their marketing strategy which again results in customer loyalty and the sustainable growth.

Keywords— Green marketing, Inward and outward environmental attitude, Consumer behavior; Green product quality, Green Corporate Image, Green customer satisfaction, Customer loyalty.

INTRODUCTION

Environmental issues have gained more importance in the recent era of 21st century due to global warming, greenhouse gas emissions and pollution. So the concern towards the environment has changed the mindset of the consumers for the better future. These increasing numbers of consumers are becoming more environmental conscious in their buying habits, which in turn has created more consumers demand for environmentally friendly product over other general products. Firms marketing such green products are preferred over the others not doing so and thus develop a competitive advantage. All such thing lead to a new concept called "Green Marketing", which is growing rapidly and consumers are willing to pay a lot for green product over other general products. Polonsky (1994) defines green marketing as 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. Firms realized that consumers prefer products that do not harm the natural environment. There has been little analysis of the impact of this new market on the consumers and the environment so far. It does not just lead to environmental protection but it also creates new market. So it has become a little difficult for the company to market their products keeping the objectives of environmental friendliness, quality, image, customer satisfaction intact in order to gain customer loyalty. Hence this is also called a true marketing where the customer need and the environment are protected together by the firms green marketing efforts.

SOME PAST STUDIES

Donaldson (2005), reveals that strong faith of consumers in the known commercial brands and in the feeble behaviour referring to the "green" claims, which is the central reason behind the consuming failure to interpret their concerns beyond the environmental behaviour.



Sanjay K. Jain & Kaur (2004) study shows that firms too have started responding to environmental challenges by practicing green marketing strategies. Green consumerism has played a vital role in guiding corporate environmentalism and making business firms green marketing oriented. This research is also makes an assessment of the extent of environmental awareness, attitudes and behaviour among the Indian consumers.

Karna, J., et al., (2003) revealed that most of the proactive marketers are the most real group for implementation of environmental marketing practices for competitive advantage through environmental friendliness. The results give an evidence that green value, environmental marketing strategies, structures and functions are rationally connected to each other. Satisfaction referred to a consumer's judgment that a product or service feature, or the product or service itself, was providing a pleasurable level of consumption-related fulfilment, including levels of under- or over-fulfilment (Oliver, 1997). Similar kind of results is also stated by Oliver, (2006) that customer satisfaction can be a way for the fulfilment of consumers' consumption.

Previous studies have shown the existence of two different conceptualizations of customer satisfaction: transaction-specific and cumulative (Anderson, 1973; Anderson et al., 1994; Fornell, 1992). The transaction-specific customer satisfaction was a post-choice evaluative judgment of a specific purchase occasion (Anderson, 1973). Similarly, Oliver, (1980) study reveals that, cumulative customer satisfaction is an overall evaluation based on the overall experience with the goods and services of a particular company over time. Behara et al., (2002) study indicated that, customer loyalty referred to the behaviour of customers to maintain a relation with a company through purchase of its products and services.

Jamal, (2004) study states that satisfaction has been considered as one of the most important theoretical and practical issues for most marketers and customer researchers. Customer loyalty can be defined from a behavioural, attitudinal, or situational perspective (Chaudhuri and Holbrook, 2001; Uncles, Dowling et al., 2003). Behavioural loyalty was articulated as the purchase and usage behaviour displayed by customers in their historical purchasing and use of a brand and the competing brands. Similar kind of studies have also investigated the relationship between customer satisfaction and customer loyalty (Hellier et al., 2003; Butcher et al., 2002; Gountas and Gountas, 2007; Zboja and Voorhees, 2006; Fornell et al., 2006; Oliver, 1999). Several other studies have found that product quality had a direct impact on performance, and was closely linked to customer satisfaction, customer loyalty, and repurchase intentions (Mittal and Walfried, 1998; Eskildsen et al., 2004), and some studies also indicated that corporate image had a significant impact on customer satisfaction and customer loyalty (Abdullah et al., 2000; Zins, 2001; Park et al., 2004; Chang and Tu, 2005; Martenson, 2007).

THE PRESENT STUDY

The study aims to provide a new dimension into the previous literature and also try to explain the significant impacts of some independent factors on the green customer loyalty by enlarge. Although, previous studies had paid great attention to explore the relevant issues of customer satisfaction and customer loyalty, none of these past studies looked into the aspect and impact of green environmental concern on green customer loyalty. So in order to full fill this research gap, this extension study aims to find out the relation among inward environmental attitude, outward environmental attitude, Green Purchasing behaviour, Green product quality, green corporate image, green customer satisfaction, and the green customer loyalty.

OBJECTIVES AND HYPOTHESIS

In the light of the problem stated and the purpose of the study, the following objectives are formulated highlighting the broader purpose of the research problems.

- I. To assess the strength of relationship among six different independent and the dependent (Customer loyalty) variable.
- II. To analyse the attitude of green product users towards the green product loyalty.

Next, while keeping the objectives in mind, it is hypothesized that "there is no significant impact of inward environmental attitude, outward environmental attitude, Green Purchasing behaviour, Green product quality, green corporate image and green customer satisfaction on the green customer loyalty.

RESEARCH METHODOLOGY

This present study is undertaken in the two major twin cities, Hyderabad and Secunderabad and the respondents are taken through simple random sampling method for the study. The main aims of the study are to explain the concepts of green marketing, customer willingness to buy green products and explore the relationships among the inward and outward environmental attitude, green product quality, green corporate image, green customer satisfaction, and customer loyalty towards green product. Such premise is addressed in this exploratory research

design utilizing the data collected from 125 consumers who are using the green or environmental friendly products, were identified as the subjects of this study. But out of which only 106 responses are found to be valid for the study. By considering the effect of green marketing upon consumers' satisfaction and the effect of such satisfaction upon their loyalty for the green products, it is being observed that companies can create competitive advantage in their organization through green marketing as a part of their marketing strategy which again results in customer loyalty and the sustainable growth.

For measuring attitude towards the environment, product quality, purchase behaviour, image of the company, satisfaction and the customer loyalty, we have used a 27-items scale were employed on five point Likert type responses (where strongly agree=5 and strongly disagree=1). The co-efficient of alpha of the overall scale when computed yield a value of 0.89 indicates that the scale is highly reliable. In order to present the results Pearson's correlation coefficients are computed to find out the relationship of independent variables on dependent variable of green customer loyalty. Again in order to predict and support the correlation a regression analysis has also been made to clearly show the significance of the overall model and the independent variable in particular. The hypothesis has been tested using this multiple linear regression analysis.

RESULTS & DISCUSSIONS

The results are presented in two sections. Firstly, the Pearson's correlation coefficient between the set of independent variables (Inward environmental attitude, outward environmental attitude, Consumer behavior; Green product quality, Green corporate image and Green customer satisfaction) and the dependent variable (Green customer loyalty) Secondly, the hypothesis testing by using multiple regression analysis and apart from that we have also used Cronbach's Alpha test to check the inter items reliability of the questionnaire and the factors in details.

TABLE I: CORRELATIONS

		Inward Environmental Attitude	Outward Environmental Attitude	Green Purchasing Behavior	Green Product Quality	Green Corporate Image	Green Customer Satisfaction	Green Customer Loyalty
Inward Environmental Attitude	Pearson Correlation	1	.289	.341	.230	.961	.696	.627
	P=		.003	.000	.018	.000	.000	.000
	N	106	106	106	106	106	106	106
Outward Environmental Attitude	Pearson Correlation		1	.259	.129	.303	.533	.497
	P=			.007	.188	.002	.000	.000
	N		106	106	106	106	106	106
Green Purchasing Behavior	Pearson Correlation			1	.109	.358	.322	.402
	P=				.265	.000	.001	.000
	N			106	106	106	106	106
Green Product Quality	Pearson Correlation				1	.220	.150	.047
	P=					.023	.126	.631
	N				106	106	106	106
Green Corporate Image	Pearson Correlation					1	.732	.616
	P=						.000	.000
	N					106	106	106
Green Customer Satisfaction	Pearson Correlation						1	.643
	P=							.000
	N						106	106
. Correlation is significant at the 0.01 level (2-tailed).								
. Correlation is significant at the 0.05 level (2-tailed).								

The above table no- I explains the Pearson Correlation coefficients of four different independent variables like Inward and outward environmental attitude, Consumer behavior; Green product quality, Green corporate image and Green customer satisfaction with the dependent variable Customer loyalty. It is also reveal form the table of last column that all other variable except the green product quality and the purchase purchasing behavior are highly correlated with the green customer loyalty. Again all these correlation coefficients, ranging from the value of 0.497 to 0.643 are also statistically significant with p-value of 0.00 (less than 0.05). But all these above Pearson Correlation coefficients are one to one (bi-variate) correlation coefficients. In order to proceed for the next level, we want to do a multiple regression with an independent variable showing low correlation with the dependent variable, because with the presence of other variables, this may become a good predictor of the dependent variable.

TABLE II: MULTIPLE REGRESSIONS

R	0.747
R Square	0.558
Adjusted R Square	0.531
Std. Error of the Estimate	1.65404

- a. Predictors: (Constant), Green Customer Satisfaction, Green Product Quality, Outward Environmental Attitude, Inward Environmental Attitude, Green Corporate Image
 b. Dependent Variable: Green Customer Loyalty

TABLE III: ANOVA

Model		Sum of Squares	DF	Mean Square	F	Sig.
1	Regression	341.300	6	56.883	20.792	.000
	Residual	270.851	99	2.736		
	Total	612.151	105			

- a. Predictors: (Constant), Green Customer Satisfaction, Green Product Quality, Outward Environmental Attitude, Inward Environmental Attitude, Green Corporate Image
 b. Dependent Variable: Green Customer Loyalty

TABLE IV: COEFFICIENTS

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.250	1.505		.166	.869
	Inward Environmental Attitude	.402	.188	.517	2.135	.035
	Outward Environmental Attitude	.202	.067	.245	3.031	.003
	Green Purchasing Behavior	.136	.063	.155	2.139	.035
	Green Product Quality					
	Green Corporate Image	-.133	.076	-.121	-1.752	.083
	Green Customer Satisfaction	-.123	.203	-.155	-.605	.547
		.226	.109	.234	2.085	.040

- a. Dependent Variable: Green Customer Loyalty

The coefficient of determination is a statistical measure which gives some information about the goodness of fit of a model. In other way, how well the regression line approximates the real data points. It is evident from the above table no-II that the value of R-square (R²) is 0.558 which is a good representative i.e. all these independent variables put together explain 55% of the total variance of the dependent variable. From the analysis of variance table III, it is also clear that the significance of F is 0.000. This indicates that the model is statistically significant at 100% confidence level.

Table no-IV, represents the significance of individual T-test and its significance level. Based on the t-test value and the significance level of that variable, it is clear that all these above four variables including inward environmental attitude, outward environmental attitude, Consumer purchasing behavior; and Green customer satisfaction are statistically significant with p-value less than 0.05 i.e. 0.035, 0.003, 0.035, and 0.04 respectively and the entire four null hypothesis are rejected, which represents that the all these four variables are having a significant impact on the Green customer loyalty. The present study has a slight difference from the previous research in terms of product quality which, explained the direct impact on performance is closely linked to customer satisfaction, customer loyalty (Mittal and Walfried, 1998; Eskildsen et al., 2004). But this research has significant relationship with the product quality with 92% degree of confidence. In contrary with the previous study in terms of corporate image, this founds to be insignificant relation with green customer brand loyalty. After analyzing the report, it is also found that people with more environmental concern and customer satisfaction are having a positive attitude towards the green customer loyalty, which is similar to (Leonidas et al 2010). Again it is found that some other studies have also indicated that corporate image had a significant impact on customer satisfaction and customer loyalty (Abdullah et al., 2000; Martenson, 2007), which is completely different from the previous study.

The beta coefficients for the above model B=0.250, Inward environmental attitude=0.402, Outward environmental attitude=0.202 Consumer behavior=0.136, Green customer satisfaction=0.226. Taking all these above points into consideration and the significant relationship of the independent variable with the dependent variable, it is found that, the Model for Green customer loyalty.

$$\text{Green customer loyalty (Y)} = 0.250 + 0.402 (\text{IEA}) + 0.202 (\text{OEA}) + 0.136(\text{GPB}) + 0.226(\text{GPS}).$$

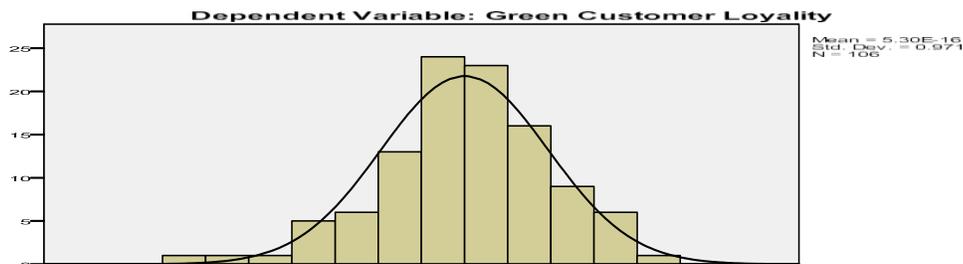


Fig. I -Histogram

From the above figure I it is observed that the data are normally distributed with mean of 5.30 and the standard deviation of 0.971 from the total 106 no-of observation.

Normal P-P Plot of Regression Standardized Residual

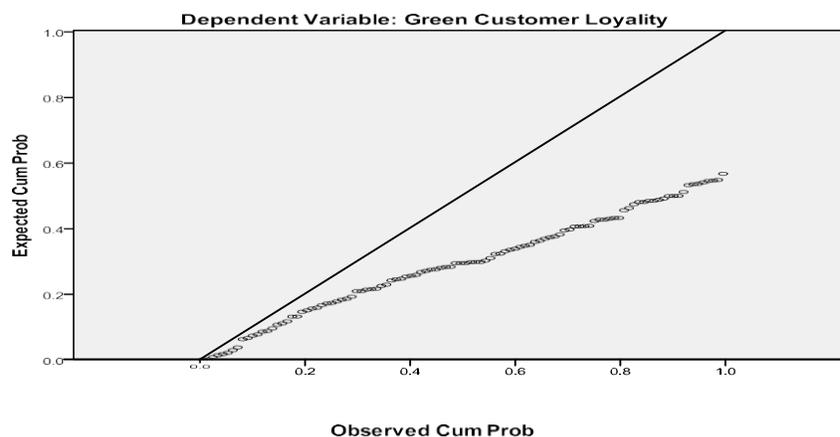


Fig. II-PP Plot of Regression

The above figure -II represents a normal P-P plot of the regression standardized residual clearly shows that all points are closely related to the regress line or the diagonal line; therefore, the residuals appear to be approximately normally distributed. Thus, the assumptions for regression analysis appear to be met.

TABLE V: RELIABILITY STATISTICS

Factors	No of Items	Cronbach's Alpha
Inward Environmental Attitude	4	0.67
Outward Environmental Attitude	4	0.72
Green Purchasing Behavior	4	0.67
Green Product Quality	4	0.67
Green Corporate Image	3	0.60
Green Customer Satisfaction	4	0.63
Green customer Loyalty	3	0.65
Over all scale	26	.871

Cronbach's Alpha test is applied in order to check the reliability of the questionnaire and the corresponding factor items. It is a measure of internal consistency, that is, how closely related a set of items are as a group. A "high" value of alpha is often used (along with substantive arguments and possibly other statistical measures) as evidence that the items measure an underlying (or latent) construct. The result of this study indicates that the alpha coefficient for the 26 items is 0.871, suggesting that the items have relatively high internal consistency (reliability). Again the same alpha coefficient is checked for every factor and the entire alpha coefficient found to be more than 0.06 which also indicates that the internal consistency of the items in the factor is reliable.

IMPLICATIONS & CONCLUSIONS

The study has done in two different folds to capture the attitude of the consumers with regard to ecological issues and their satisfaction towards the green products usages. Again the research also contributes to the literature of green marketing in many ways. First, it tries to signify the correlation between different dependents and the independent variable and then established a best fit linear model for green customer loyalty. The result reveals that four major criteria like inward environmental attitude, outward environmental attitude, Consumer purchasing behaviour and Green customer satisfaction have significant impact on the green customer loyalty with higher confidence (>95%) level. So individual can simultaneously reveal both inward and outward environmental attitudes, with each of them influencing a different aspect of behaviour. Again this attitude is also more associated with green purchasing behaviour and satisfaction but not significantly dependent on the product quality and the corporate image. It also shows that people have great concern about the environment, purchasing behaviour and the satisfaction, and to an extent of product quality, which in turn lead to green customer loyalty. Further research can also be done keeping in view of the interaction effect on different independent variable among themselves and these effects on green customer loyalty in macro level or many be compared amongst the developing countries where there are huge opportunities for this new and emerging green marketing practices.

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