

Consumer Perception Towards Eco-friendly FMCGs in Coimbatore City

T. Samsai*, S. Praveena and T. Nivetha

Dept. of ARM, Tamil Nadu Agricultural University, Coimbatore (641 003), India

Corresponding Author

T. Samsai
e-mail: tsamsai@yahoo.co.in

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Abstract

The environmental issues such as global warming, ozone depletion, water and air pollution, loss of species, and farmland erosion have led to the current alarming environmental crisis that threaten the environment as well as human life. The corporate social responsibility is one of the main factors which may influence the market performance of the company business. Environmental issues are very common now a day that should be addressed by the companies through offers in terms of eco-friendly products. Nowadays, there is an increasing trend among the marketer and consumer to switchover eco-friendly products and many companies have accepted their responsibility not to harm the environment and not to waste the natural resources. They have been under pressure to communicate their sustainability performance to their stakeholders. Hence, the present study aims to know about how the consumers care for their health and also their interest in protecting the environment. Coimbatore city were purposively selected for the study. Totally 100 consumers were selected by proportionate random sampling method. Both primary and secondary data were collected and utilized for the study. From the results it was observed that most of them aware about the eco-friendly products through advertisements and they are purchasing the eco-friendly products for health conscious. Most of the respondents are purchasing Himalayas and Dabur brands for their quality through advertisement.

Keywords: Eco-friendly products, Expectation, Gap analysis, Satisfaction

1. Introduction

The environmental issues such as global warming, ozone depletion, water and air pollution, loss of species, and farmland erosion have led to the current alarming environmental crisis that threaten the environment as well as human life. 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. Eco-friendly products are those products that will not pollute the earth or deplete natural resources, product which can be recycled or conserved, products with natural ingredients, products containing organic elements and products contents under approved chemical. Eco-friendly products have no or the least possible impact on the environment. Environmentally friendly products avoid toxic chemicals known to cause harm. Eco-friendly is a term used to refer to goods and services, laws, guidelines and policies claimed to inflict minimal or no harm on environment. Social Responsibility Behaving in an environmentally responsible fashion is one of the major tasks of firms today and many organizations are beginning to realize that they are members of wider community. Companies however realize and believe that they must achieve the environmental objectives and also

profit related objectives. (Jayadatta and Ahemed, 2017). 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 (Sudhir, 2011).

Fast Moving Consumer Goods (FMCG) is considerably a large sector in the Indian economy. FMCG also known as Consumer packaged goods 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. Fast moving consumer goods refer to items that are purchased and consumed frequently by consumers. Most of the firms are producing eco-friendly FMCG Products with their certification for eco-friendliness. Most of the manufacturing companies producing personal care products. In this connection, study on consumer perception towards the eco-friendly products is the way to identify the satisfaction and their expectation towards the products. The study focuses on the consumer awareness and perception towards eco-friendly FMCG in Coimbatore city

and also to identify the gap between consumer expectation and satisfaction towards eco-friendly FMCG products. Review of the similar work was collected and presented below.

Bhaskaran et al., 2006 stated that the increase of the environmental consciousness has a thoughtful effect on consumer behaviour, with the green product market expanding at a remarkable rate.

Senthilnathan and Malarmathi (2012) suggested that awareness should be created for natural personal care products and shows there is market opportunity for natural personal care products if introduced by commercial or normal manufacturers of personal care products.

James and Helan (2013) conducted a study on attitude towards organic cultivation and found that most of the farmers also had an attitude of producing organic vegetables. They believed that use of organic farming practices was essential for better quality of vegetables.

Kiruthika and Chandran (2014) found that the majority of consumers appear willing to purchase organic produce; specifically, higher earning households and younger individuals are the most likely to purchase organic produce.

Prakash and Pathak (2014) found that price, brand name, quality, availability, packaging were the important factors influencing the rural consumers' purchase decisions in FMCGs.

Sakthirama (2014) identified the main challenges faced by markets in marketing organic products and observed that high prices was foremost challenge faced by the marketers followed by high logistics cost.

Yasmin and Shamshuddin (2014) stated that Green products require renewable and recyclable material, which is costly and it requires a technology, which requires huge investment in R & D. They also observed that majority of the people are not aware of green products and their uses and found that majority of the consumers are not willing to pay a premium for green products.

Deepa and Chaundary (2017) observed that product quality, brand image and trust are the most important factors influencing consumers' decision making in selecting Patanjali products.

Almir et al. (2018) analyzed the heterogeneity of organic food buyers with latent class model and segmented the organic food buyers into five categories like enthusiastic social-seekers, enthusiastic moralists, hostile seldom shoppers, and hostile heavy shoppers.

2. Materials and Methods

Coimbatore city was purposively selected to know about the consumer perception towards eco-friendly products. The sampling technique involved is proportionate random sampling. The Coimbatore city five regions were selected. Each region consists of 20 samples and made the sample size equal to 100. From each region, ten samples from shopping areas and the remaining from household size were selected.

Both Primary and Secondary data were collected for the study. Primary data was collected by using well structured interview schedule and it was pretested. The secondary data related to product details were collected from various websites, reports etc., the data were collected from the respondents based on recall bias. The primary data was collected from the respondents for the period of Sep 2017-Dec 2017. To draw meaningful conclusion, relevant statistical tools like Percentage analysis, Garret's ranking, Likert scale, Gap analysis, were used. Gap analysis was used to find the gap between consumer expectation and satisfaction towards eco-friendly FMCG products by using SPSS software. Garrett's ranking techniques and Likert Scaling Technique were also used to analyze the factors influencing the purchasing eco-friendly FMCG and the consumer preference towards eco-friendly FMCG respectively.

3. Results and Discussion

The demographic details of Gender, Age, Education, Occupation and Monthly income of the respondents were analyzed and the results are presented in Table 1.

It could be concluded from the above Table 1, the respondents were classified based on different demographic features. According to the gender character, 38% of the sample respondents were male followed by 62% of them female respondents. Since, Most of the sample respondents were female it could be easy to spread Eco-friendly products information through word of mouth advertising. It was observed that majority of the sample respondents are below

Table 1: Demographic details of sample respondents

Characteristics	Category	No. (n =100)	Percentage
Gender	Male	38	38.00
	Female	62	62.00
Age (In years)*	Upto 30	52	52.00
	31-40	33	33.00
	41-50	15	15.00
Educational status	Illiterate	6	6.00
	Primary education	6	6.00
	Secondary education	6	6.00
Occupation	Graduate	82	82.00
	Student	10	10.00
	Housewife	20	20.00
	Business	27	27.00
Income of the respondents	Employee	43	43.00
	Upto 100000	27	27.00
	200000-300000	40	40.00
	>300000	33	33.00

30 years (52%) followed by 31-40 years (33%) and 41-50 years (15%). Since, major share of the sample respondents are youngsters, there should be a wider scope for the eco-friendly products. From the results it was identified that most of the respondents are graduates and their family income ranges from 2-3 lakh per annum. Hence, it is easy for the firms to communicate information through brochure, pamphlets which will be easy to attract more number of consumers and frame their promotional strategies accordingly.

3.1. Awareness about eco-friendly FMCG

It was observed that 73% of the sample respondents aware about eco-friendly FMCG. Remaining 27% were not aware about eco-friendly FMCG because they were not known about eco-friendly terms, products and environmental issues. Hence, it is necessary to make arrangements to increase the awareness about the eco-friendly products.

It shows that 30% of the people preferring Himalayas brand followed by Dabur and Biotique. It might be the reason that Himalayas Company spent more on advertisement, producing products with better quality and good benefits. Around 16% of the respondents prefer organic India brand and 13% prefer Amway products. (Table 2)

It could be concluded that only 41 people using eco-friendly FMCG toothpaste, remaining 32 of them are not aware of eco-friendly FMCG toothpaste products because of lack of awareness due to other corporate brands in the market. Nearly, 55 people are using eco-friendly FMCG

Table 2: Brand preference of sample respondents in choosing eco-friendly FMCG (n=73)

Sl. No.	Company	No. of respondents	Percentage
1.	Organic india	12	16.43
2.	Biotique	13	17.80
3.	Himalayas	22	30.13
4.	Dabur	16	21.91
5.	Amway	10	13.69
Total		73	100

skincare company products due to the company Quality, trustworthiness and word of mouth marketing, 30 people used hair care eco-friendly FMCG company because it contains lot of natural extracts, only 19 people out of 73 prefer eco-friendly FMCG products for grocery items and 15 people out of 73 prefer eco-friendly FMCG products for household products. Hence, the companies like organic India need to involve in producing all kinds of products and concentrating in promoting those products. And rest of the companies should involve in creating awareness about their product benefits among the people (Table 3).

Garrett ranking technique was used to identify that factors that are influencing the purchase of Eco-friendly FMCG products. From the results, it is evident that health conscious (53.68) is

the most influencing factor to purchase eco-friendly products followed by Quality (48.41), friends/neighbors (44.36),

Table 3: Kind of product people prefer in eco-friendly FMCG

Product	Eco-friendly FMCG company						
	OI	A	B	H	D	Total	Others
Toothpaste	-	-	-	11	30	41	32
Skincare products	-	14	13	28	-	55	18
Haircare products	-	8	9	12	1	30	43
Cosmetic products	-	4	5	3	-	12	61
Grocery items	19	-	-	-	-	19	54
Household products	-	15	-	-	-	15	58

OI: Organic India; A: Amway; B: Biotique; H: Himalayas; D: Dabur

Mass media (37.39), Quantity (36.6). (Table 4) Similar study was conducted by Nagaraju and Thejaswini (2016). They conducted a study on Consumer Attitude towards eco-friendly FMCG Products at Hubli City in Karnataka and observed that majority of the respondents buy eco friendly products for health reasons.

It showed that consumer expectation and satisfaction of the customer who are all purchasing eco-friendly FMCG products. The results showed that there is a significant difference between consumer expectation and satisfaction in product availability, easy availability of the product, price, promotional offers, advertising and distributors at store level to explain about the product features. Hence, the firms involved in FMCG production have to concentrate more on easy availability of the product, price, offers, attractive advertisement and the person at the store level to explain the product features. There

Table 4: Factors influencing for the purchasing eco-friendly FMCG

Sl. No.	Particulars	Garrett's scores	Rank
1.	Health conscious	53.68	I
2.	Quality	48.41	II
3.	Friends/Neighbours	44.36	III
4.	Mass media	37.39	IV
5.	Quantity	36.6	V
6.	Easy availability	33.27	VI
7.	Price	29.58	VII
8.	Best promotions	27.5	VIII
9.	Brand	24.14	IX

is no significant difference in the consumer expectation and satisfaction in quality, package, Brand ambassadors, colour and health conscious. The Gap value was found to be negative indicated that the sample respondents were highly satisfied with those aspects (Table 5).

It could be concluded from the above Table that the major constraints in purchasing Eco-friendly FMCG products is higher

price with the average score of 37.83 and followed by easy availability of existing brands (30.6), not much aware about other brand features (Size of Packing and Non availability of stores to get eco-friendly products. (Table 6) The results are co-inside with Mahesh and Gomathi (2016). They conducted a study on rural consumers buying behaviour of Green Products with Special Reference to Selected Villages in Tiruppur District

Table 5: Consumer expectation and satisfaction towards eco-friendly FMCG products

S I . No.	Particulars	Expectation mean score	Satisfaction mean score	Gap value	TT value
1.	Quality of the ecofriendly FMCG product	4.79	5.49	-0.7	1.014ns
2.	Product availability in different quantity (40 g, 100 g) or ml	4.37	3.68	0.69	6.424
3.	Easy availability of the product	4.34	3.73	0.61	7.993
4.	Price of the product	4.08	3.36	0.72	7.889
5.	Promotional offers	3.63	2.96	0.67	6.874
6.	Advertising regarding the product features	3.56	2.82	0.74	7.038
7.	Brand ambassadors	4.19	4.15	0.04	0.575ns
8.	Distributors at store level able to explain about the product features	3.40	2.66	0.74	6.149
9.	Attractive package	4.34	4.36	-0.002	0.159ns
10.	Colour of the product	4.08	3.97	0.11	1.380ns
11.	Health conscious	4.34	4.18	0.16	1.467ns

Level of significance = ($p=0.05$), Table value: 1.990, ns: non significance

and found that higher price is the major factor which will restrict the consumers to buy green products. Hence, the case firms have to reduce the price so that it will be affordable to all kind of income groups. Bhatia & Jain (2013).

3.1.1. Source of information about Eco-friendly FMCG Products

It could be concluded that majority of the respondents stated that advertisement as the source of information about Eco-friendly FMCG products which accounted for 41%, followed by 30% of friends and relatives, 19% for print media and 10% others like window display and social media. Generally, Advertisement plays an important role in products sales and people also tends to involve in knowing more about the products through attractive advertisement. We believe in friends/relatives suggestions for before choosing any new

products in the markets. So this type source of information plays an important role in purchasing eco-friendly FMCG products. (Figure 1).

It could be concluded that 64% of the consumer agreed that they choosing eco-friendly FMCG because of health conscious, 53 percentage of people choosing because of better quality. About 42% of the respondents agreed that eco-friendly FMCG products are good for environment. And 41 per cent of people

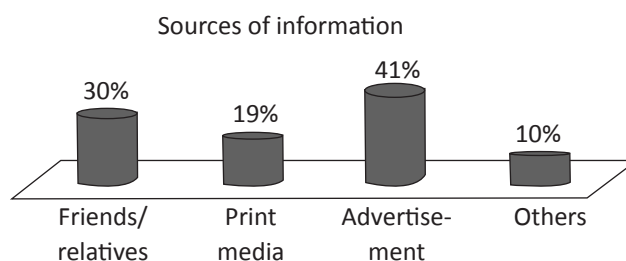


Figure 1: Source of information about eco-friendly FMCG products

were given the neutral response for eco-friendly products advertising & promotions and also for package/design of eco-friendly FMCG products with the percent of 38 and 35% of people giving neutral response for eco-friendly FMCG products are easily identifiable. From this, people choosing eco-friendly FMCG mainly for health conscious because they believed that these type of products have better quality and safe due to its more natural contents. So people trusted these products are

Table 6: Constraints in purchasing of Eco-friendly FMCG Products

S I . No.	Particulars	Garrett's score	Rank
1.	Higher price	37.83	I
2.	Easy availability of existing Brand	30.6	II
3.	Not much aware	31.21	III
4.	Size of packing	29.56	IV
5.	Non availability stores	27.22	V

good for humans as well as environment. (Table 7) Kumar et al. (2012) mentioned that green products help them to protect the environment as they considered green product as environmentally friendly products and they also support that

green products are of better quality than non green products in their study of Consumer awareness and perception towards Green Products: A Study of Youngsters in India.

Table 7: Consumer perception towards eco-friendly FMCG (n=73)

S I . No.	Statements	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Weighted score
1.	Eco-friendly FMCG products are good for environment	15 (20%)	31 (42%)	25 (34%)	2 (3%)	-	278
2.	Eco-friendly FMCG have better quality	16 (21%)	39 (53%)	18 (24%)	-	-	290
3.	Eco-friendly FMCG are healthier	13 (18%)	47 (64%)	21 (29%)	-	-	316
4.	Eco-friendly FMCG products are easily identifiable	1 (1%)	13 (18%)	26 (35%)	20 (27%)	10 (14%)	185
5.	I believe in eco-friendly products advertising/ Promotions	2 (3%)	25 (34%)	30 (41%)	16 (21%)	-	232
6.	I like the package/design of eco-friendly FMCG products	2 (3%)	19 (26%)	28 (38%)	19 (26%)	5 (7%)	213

4. Conclusion

Government also needs to concentrate more on creating awareness among the people through awareness campaign. Price gets reduced by the FMCG producers so that there must be chance for more people to know about that product increase their interest in purchase of more eco-friendly products. Business is looking towards gaining an edge in the green market industry by trying to re design and re-packages their products into more environmental friendly products. More number of eco-friendly specialty stores may help people for identifying eco-friendly products easily.

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