Looking Good and Thinking Green-Can Green Personal Care Products Be Promoted?

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ABSTRACT

The purpose of this paper is to determine the extent of environmental concern among consumers while purchasing personal care products. This paper also examines the role of consumer’s willingness to pay for environmentally friendly products while making green purchase. It also tests if willingness to pay can be predicted based on certain product attributes. An exploratory factor analysis was carried out to develop the conceptual framework and based on which a questionnaire was designed. Primary data was collected from 300 respondents, women working in Information technology sector between the age group 25-45. The results show that there is high amount of environmental awareness among the consumers. However due to lack of proper and reliable information exchange between the manufacturers and the consumers this awareness does not materialize in green purchase behavior. Consumer’s willingness to pay extra for ecolabeled product is dependent on the product reliability and appeal. Hence ecolabeled products stand a chance to be selected if they are appealing and reliable.

KEYWORDS

Attitude, Eco-Labeling, Environmental Awareness, Personal Care Products, Willingness to Pay

1. INTRODUCTION

The personal care products category (PCP) in India is rapidly growing. Over the last a few years, it has witnessed a 12 percent growth (Walkers, 2013). Products which once targeted higher income consumers are increasingly accessible to lower economic segments. C.K. Prahlad’s call for serving the bottom of the pyramid has spawned several innovations; a notable one is the single serve sachet, which helped companies reach out to the poor and create an environmental menace with the lack of proper disposal of the sachets (Nulkar, 2016). The PCP market includes large multinational and domestic players who have since, widened their product ranges to accommodate new market segments. In the euphoria of rapidly growing markets and increasing competitive intensity, the environmental impacts of PCP cannot be ignored. Like other products, they impact the environment in the entire life cycle consuming resources, creating waste and emissions during production, distribution and consumption and increasing the carbon and water footprints. Even as regulation and competitive pressures drive companies to improve their performance within their premises, overuse of resources and waste generated in consumption is not controlled and urban waste is turning out to be one of India’s biggest problems. Moreover, consumers are often unaware of environmental impacts of the products they buy (Kennedy, Beckley, McFarlane, & Nadeau, 2009) which makes them overlook the

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environmental costs of their purchases. In this situation, it is imperative to promote green behavior in consumers of PCP category.

Product labels have been considered useful in this quest. Labels are used to convey specific attributes of the product that may be overlooked by consumers (Koos, 2011). Similarly, they can display environmental information about the product. This is increasingly seen in durables, especially those which consume energy during use. Environmental certifications and marking systems have evolved in many countries, which can be placed on product labels. Unfortunately, Indian industry lacks sophisticated labeling norms and has a weak enforcement regime. Unscrupulous sellers can get away with deceitful information. In 1991 the Ministry of Environment and Forests (MoEF) introduced ‘Ecomark’ scheme of labeling for environment-friendly products, however, this does not have a wide industry acceptance.

The authors conducted an exploratory study to examine factors which can influence green purchase behavior in consumers during purchase of personal care products. The role of ecolabels in this category was also studied. This paper presents the results of the study conducted on 300 women consumers and 35 retailers of PCP in Pune, India. This research is intended to assist in development of a more comprehensive study on PCP and ecolabeling. In the paper the term ecolabel is used to denote the information displayed on products about environmental impacts in their life cycle. The word ‘green’ is used to denote the environmental considerations.

2. LITERATURE REVIEW

Growing awareness of environmental problems and increasing media coverage have prompted many firms to take up greener practices. Studies show increasing consumer awareness and concern of the environmental impacts of the products they buy, and this manifests in growing purchases of environmentally friendly products across markets (AMF do Paco & Raposo, 2009). Consumer’s environmental concern is not easily translated into pro-environmental behaviour, so individuals holding strong beliefs that their environmental conscious behaviour will result in positive outcome are more likely to engage themselves in such behaviour in support of their concern for the environment (Sharma & Bansal, 2013).

Akwa (2009) suggests that women are significant actors in natural resource management and major contributors to environment rehabilitation and conservation. Studies also show that women are generally more willing to pay a premium for a green-product (Blend & Van Ravenswaay, 1999) (Loureiro & Lotade, 2005), (Loureiro M., 2003), (Loureiro, Mittelhammer, & McCluskey, 2002), (Brécard, Hlaimi B., Lucas S., Salladarré F., & Y., 2009). However, Lee (2011) argued that the environmental awareness of consumers affects environmental friendly behavior. To differentiate green products from others, it is then important to communicate environmental information of the product to consumers. Moreover, terminology is not clearly defined and “recyclable”, “eco-friendly”, “environmentally safe” could mean different things to different manufacturers (Borin, Cerf, & Krishnan, 2011).

Studies have examined awareness, attitude, cultural background and situational factors to explain green purchase behavior in consumers. Bray et al (2011) note that despite environmental concerns and positive attitude of consumers towards sustainability and green products, market share of green products remains at about 3% of the entire market. Green purchase behavior forms a complex form of ethical decision-making behavior (Joshi & Rahman, 2015). Individual values and concerns for health, safety and pleasure specifically affected green food purchase behavior (Cerjak, Mesic, Kopic, Kovacic, & Markovina, 2010). Tsarkiridou et al (2008) found habit to be an important obstacle to green purchasing, which makes it difficult to change behavior. Another challenge is posed by the lack of trust consumers have on green claims and confusion among green characteristics (Joshi & Rahman, 2015).
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