

ECO- FRIENDLY PRODUCTS AND CONSUMER WILLINGNESS TO PAY PREMIUM PRICING

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ABSTRACT

The most recent trends in the marketing sector are the promotion of Eco-friendly products across the globe. Due to its direct connection to individuals, it has a lot of potential for marketing. It alludes to the practise of marketing goods based on how they would improve the environment. Beginning in the early 20th century, green marketing techniques began to develop. At that time, businesses began to understand the advantages of producing eco-friendly goods. The manufacturing company must make its goods in a way that is both environmentally friendly and pleasing to customers. In order to be considered "green," a product must be created sustainably, be recyclable, reusable, biodegradable, and include only natural materials and non-toxic chemicals that do not harm or pollute the environment. A change in consumer behaviour and mindset toward eco-friendly living is therefore necessary. The aim of this paper is to explore the willingness of consumers to pay premium money for eco-friendly products.

Keywords: *Green product pricing; Eco- friendly products; Premium pricing*

INTRODUCTION

Due to problems like global warming and ozone layer depletion, the majority of businesses are engaging in green marketing. Regardless of wealth, everyone cares about a high standard of living and a safe environment. In the same way, the corporate elite takes advantage of this chance to make money. Many underdeveloped nations have already begun using green marketing techniques, and richer nations are also successful at adopting a green idea. Indian customers are significantly less aware of the problems with global warming. Recognizing trends and presenting products, services, and brands in a way that supports customer intentions have long been key components of effective marketing.

The cornerstone to the nation's prosperity and sustainable development is a clean, green environment. This is the main cause of the rising knowledge and consciousness

surrounding the colour green, which is used as a symbol for environmentally friendly goods. Many organisations in India use the green theme into their marketing plans. The port city of Thoothukudi is located in Tamil Nadu's southern region. It is a modern city with a large number of enterprises, an airport, and trading firms. The government will soon enact strict policies to support sustainable growth. The marketers should be aware of this novel approach and move forward with green marketing. The purpose of this study is to determine whether Thoothukudi consumers are willing to pay premium money for eco- friendly products.

OBJECTIVES:

- To uncover the consumer's opinion regarding Eco- friendly product pricing.
- To determine the consumer's willingness to pay premium money for eco- friendly products.

RESEARCH METHODOLOGY:

This study uses both primary and secondary data and is empirical in nature. With the aid of a questionnaire, primary data were gathered from 110 respondents using a snowball sampling strategy among green consumers in Thoothukudi. Secondary data was gathered online, through papers, journals, books, and periodicals.

The limitations of the study were

- The accuracy and the reliability of the data depends on the respondents.
- The conclusions of this study may not apply to the other districts in the State because it is solely limited to the Thoothukudi district.

REVIEW OF LITERATURE:

Drozdenko, Jensen & Coelho (2011) in their study "Pricing of Green Products: Premiums paid, Consumer Characteristics and Incentives", proposed a model concentrating on the variables influencing the willingness of customers to pay for green products. According to the survey, customers are prepared to pay more for green products due to the green product category, consumer characteristics, pricing of green products, environmental reasons, and financial incentives. The key variables that made the consumer willing to spend more for green items were situational circumstances and tax incentives. People always gain more in incentives for buying environmentally friendly products than they do in premium payments.

TYPES OF GREEN CONSUMERS AND THEIR OPINION REGARDING ECO-FRIENDLY PRODUCTS PRICING.

The types of green consumers in Thoothukudi and their opinion regarding the pricing of eco- friendly products are examined in the below table.

Types Of Consumers	ECO-FRIENDLY PRODUCT PRICING						TOTAL	
	HIGH		MODERATE		LOW			
Behavioural Greens	15	20%	2	8%	1	11%	18	16.4%
Think Greens	45	59%	12	48%	5	56%	62	56.4%
Potential Greens	16	21%	11	44%	3	33%	30	27.3%
Total	76	69%	25	23%	9	8%	110	100%

Interpretation

The above table shows that among 110 green consumers in Thoothukudi 56.4 percent of the respondents are Think Greens consumers, 27.3 percent are Potential Greens consumers and 16.4 percent are Behavioural Greens consumers.

Among the think green consumers, Majority of think green consumers 59 percent say that Eco- friendly products are highly priced while 56 percent of think green consumers say that Eco- friendly products are low priced and 48 percent feel that Eco- friendly products are moderately priced.

Majority of potential green consumers 44 percent feel that Eco- friendly products are moderately priced, and 33 percent say that Eco- friendly products are priced low, and 21 percent of potential green consumers feel that Eco- friendly products are highly priced.

Majority of 20 percent of Behavioural Greens consumers feel that Eco- friendly products are highly priced. 11 percent say that Eco- friendly products are priced low and eight percent feel that Eco- friendly products are moderately priced.

TYPES OF GREEN CONSUMERS AND THEIR WILLINGNESS TO PAY PREMIUM MONEY FOR ECO- FRIENDLY PRODUCTS.

The types of green consumers in Thoothukudi and their willingness to pay premium money for eco- friendly products are examined in the below table.

Types Of Green Consumers	WILLINGNESS TO PAY PREMIUM MONEY				TOTAL	
	YES		NO			
Behavioural Greens	3	8%	15	21%	18	16.4%

Think Greens	33	83%	29	41%	62	56.4%
Potential Greens	4	10%	26	37%	30	27.3%
Total	40	36%	70	64%	110	100%

Interpretation

The above table depicts that 64 percent of the green consumers in Thoothukudi are not willing to pay premium money for eco- friendly products and 36 percent of the green consumers in Thoothukudi are willing to pay premium money for eco- friendly products.

Among the think green consumers, Majority of think green consumers 83 percent are willing to pay premium money for eco- friendly products. Majority of potential green consumers 37 percent Thoothukudi are not willing to pay premium money for eco- friendly products and 21 percent of Behavioural Greens consumers in Thoothukudi are not willing to pay premium money for eco- friendly products.

FINDINGS OF THE STUDY

- 56.4 percent of the respondents in Thoothukudi are Think Greens consumers, 27.3 percent are Potential Greens consumers and 16.4 percent are Behavioural Greens consumers.
- Majority of think green consumers 59 percent say that Eco- friendly products are highly priced.
- Majority of potential green consumers 44 percent feel that Eco- friendly products are moderately priced.
- Majority of 20 percent of Behavioural Greens consumers feel that Eco- friendly products are highly priced.
- Majority of 64 percent of the green consumers in Thoothukudi are not willing to pay premium money for eco- friendly products.

CONCLUSION

The study illustrates that majority of the green consumers are aware of the green premium pricing. Eco- friendly products are highly priced due to its superior quality, sustainability and its eco-friendly usage. The marketers should reinforce the impact of usage of eco- friendly products among the consumers. The necessity of green products and their contribution to a healthy environment must be frequently emphasized in advertising so that even the uneducated may grasp the idea. For a sustainable future, the government should take steps to promote green products. When the consumers are willing to shift their preference to eco- friendly products over other products, price should not be a demotivating

factor. So, the Organizations must use a variety of pricing strategies and promotional methods including incentives and discounts to successfully market green products among the consumers.

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