

## **GREEN LOYALTY: AN INDIAN PERSPECTIVE**

### **Trilok Pratap Singh**

Research Scholar, School of Studies in Management, Jiwaji University, Gwalior,  
India. E-mail: trilokpratapsinghchauhan@gmail.com

### **Aruna Dhamija**

PhD, Associate Professor, Institute of Business Management, GLA University, 17 Km.  
stone, NH#2 Mathura-Delhi Road, Chaumuha, Mathura-281406 (U.P). India.  
E-mail: aruna.dhamija@gla.ac.in

### **Prashant Tiwari**

Assistant Professor, Institute of Business Management, GLA University, 17 Km.  
stone, NH#2 Mathura-Delhi Road, Chaumuha, Mathura-281406 (U.P). India.  
E-mail: prashant.tiwari@gla.ac.in

### **ABSTRACT**

*In India people are becoming greatly worried about the surroundings and are transforming their acts accordingly. As a result, there is a increasing market for supportive and gregarious accountable products and services. Green loyalty refers to the process of doing business based on environmental benefits by reducing environmental degradation. Such products are marketed and processed in an environmental friendly manner. Although a good research work on green loyalty has been conducted across the globe; little academic research has been carried out in India. Indian marketers are also realizing the impact of the green loyalty on marketing. This paper present the concepts of green loyalty ; briefly examine why going green is important; what impact green loyalty puts on consumer purchasing pattern and finding some of the basic cause that why corporate houses are choosing a green loyalty concept; and its impact on consumer buying motive.*

**Keywords: Green Loyalty, Purchasing Pattern, Green Marketing, Green Trust, Green Advertisement, Green Reference**

## **INTRODUCTION**

Green loyalty objective is to deliver human wants while conserving the society so that these wants can be fulfill both past and future propagation. Because of famous environmentalism in the society, the sales of eco-friendly items have badly develop everywhere, and, that why, many buyer are ready to buy green products at higher price (Chen, 2008). As we know the wants of human are unlimited but resources we have its limited so the optimum use of resources should be encourage by the companies because that will lead to create an image of green loyalty in the mind of customers. As we all know the time is changing the behavior and perception of customers is also changing they want to buy a product which is eco-friendly. The market is become green market the products we purchase they are eco-friendly as the product is always known because of its trust and a trust is always known because of its quality. The companies want their product will earn name and fame in the market and position by offering environmental products' cities in India. The companies want to acquire a position in the mind as well as in the heart of customers also as a green loyalty. The various studies conducted that shows that the consumer are now focusing on environment as their concern is to safe earth or to use resources in that manner that the needs of present fulfill without compromising with the future generation.

## **REVIEW OF LITERATURE**

Green loyalty is a trust which not offers only quality product but also offer the product that will not do harm to the environment. The main objective of the firm is to get a position in the market and in the consumers mind and that can be happen now only when the company offer green products and follow the steps that will conserve the environment (Flavia and Torres 2005). This research questioned that taking green loyalty for corporate could increase the firm's reputation and intangible trust equities. Despite of the fact that, many companies cannot account their financial accounting ways by current financial accounting ways for trust the value (Olsen, 2002). Making a competitive trust in the market is their major objective so that the benefits can be provided for them, considering less accountability to challenging trust activities, larger gaps, and larger trust depth scope (Hofstede, 1980). Green advertising is that association unchanged within the prevailing social blueprint, and cannot ignore eco-friendly advertising as a exactly unethical aim (Schwepker, and Cornwell, 1991). The mass of promotioners in the research selected to implement a perfect image of the companies other than aiming on the eco-friendly advantages of their product or service (Singh and Sirdeshmukh, 2000). Nowadays, green loyalty is the widely innovative concept trust, and this idea has been broadly preferable and came in understanding. Corporate may take the idea of attracting the environment needs or wants of the customers by exchanging the demand through green loyalty (Polonsky, 1994). This study is done to know the consumer buying habits towards green loyalty by taking six drivers in consideration that is green loyalty image, green loyalty satisfaction, green loyalty green loyalty, green loyalty, reference group and green advertisement. Earlier researches had drawn the presence of two varied approach of customer satisfaction activity-specific and aggregate (Aaker, 1991). Previous researches defined green loyalty green loyalty to

bring and maintaining relation with the groups who are concerned with green environment and eco-friendly concerns and promises to re-buy specific items on a regular basis in the future. It was the purpose to re buy, the motive is to confirm, show patience for a premium rate and buy some other items from a company. Previous study suggested to the meaning of and suggested green loyalty image as the feelings innovated from the cooperation between the groups, employees, consumers and associations which are being related to eco-friendly promises and commitments (Polonsky, 1994). “Alluding to reference groups in persuasive attempts to market products and trusts demonstrates the belief that reference groups expose people to behavior and lifestyles, influence self-concept development, contribute to the formation of values and buying habits and generate pressure for conformity to group norms” (Peattie and Crane, 2005).

## **METHODOLOGY**

A detailed description of all these are as follows: This research is an attempt by the authors to understand the buying habits of industries towards green loyalty. Sample for this study were chosen from many stores and shops and malls. 155 subjects were chosen and same questionnaire was given to them. The survey conducted to know the buying habits of customer when they purchase products how much they consider green in them. For doing any study, it's really very necessary to imagine about the thoughts. For checking the reliability of all the sections, Cronbach alpha was used. The Cronbach alpha test of reliability was subjected with the every statement of each section.

## **Measures**

The structured questionnaire is consisting of five parts. The scale used for the study is five-point likert scale. With the help of this scale we try to study the green loyalty in an Indian perspective. In this study we try to collect the actual data which is shared by the customer on personally on green marketing loyalty concept. In this research work the study is conducted on the basis of priority given by the customer between green product. The customer is asked to differentiate between them on the basis of their understanding and likeliness on the likert scale.

## **HYPOTHESIS BACKGROUD & FORMATION**

Some researcher referred trust as “the trust assets and liabilities which are associated with its logo, name and goodwill to gain or loss from the amount of value which is given by its product and services to its consumers.” Previous researches tell that exploring trust image is useful for the up gradation of trust (Amble, 1997). In respect, (Hansa, 2007) assumes that trust is guided by trust image. Satisfaction for a trust has a positive impact on the power and linked of institute in the minds of the customers (Gurau and Ranchhod, 2005). Previous studies showed that trust is very crucial for developing the trust and showed the positive link of green loyalty marketing (Milton, 1986). That's why; trust and consumer trust is a developing aspirant of trust (Ambler, 1997). Reference group means getting the information through other source which attracts the

consumer to purchase the product. Many people suggest the product according to the trust and hence it relates to trust. So, green loyalty is directly or indirectly related to reference group (Moorman and Deshpande, 1992). Reference group means getting the information through some individual, newspaper, magazines. Customer green loyalty was a balanced region of revenue for companies, giving at the mean time as an information way that stated informally by suggesting the items or services to relatives (Ryan, 2001). This study referred green loyalty as maintaining the relation with the association by the consumer which includes eco-friendly commitments and promises to re-buy a given products using it consistently for many years. It was in the mind to re-buy, the need to suggest, and buy other items with a group. Green loyalty is very important and efficient part to know the green loyalty. Green advertising is known in a two tier way. This two tier way approach focuses green advertising as being green with a 'g' which consider the technical perspective approach and green with 'G' which includes the broader way of efficient resources "Dobson cited in Killbourne 1998". Trust is planned by adding the value of the trust shown by its symbol, name has explore the meaning to undertake the variety's set that drive through consumers needs (Kim, 2008) suggested trust from the customer way of mind which focused on customer memory based trust institution or groups.

***H1: Green marketing image is positively associated with Green loyalty***

***H2: Green marketing satisfaction is positively associated with Green loyalty.***

***H3: Green trust is positively associated with Green loyalty.***

***H4: Green reference group is positively associated with green loyalty.***

***H5: Customer loyalty is positively proposed with Green loyalty***

***H6: Green advertisement is positively proposed with Green loyalty.***

## **ANALYSIS**

Companies have to stand that the matters of trust image and satisfaction around green loyalty. Therefore, companies should adopt similar type of strategies on these issues in these 2 areas .Despite, of that there is significant difference in green loyalty image and reference group, trust green loyalty and advertisement.

Cronbach alpha statistics are shown in Table 1.

**Table 1: Cronbach Alpha Statistics**

Variable Number	Variables taken for the study	Cronbach Statistics(metro)	Alpha	No. of items
1	Green Image	0.913		4
2	Green Satisfaction	0.711		5
3	Green Trust	0.731		4
4	Reference Group	0.830		7
5	Customer Loyalty	0.801		5
6	Green Advertisement	0.854		5

**Table2: Regression results between green loyalty and all 6 variables.**

S No.	VARIABLES	Regression coefficients	t-value	R2 value	f-value	p-value for f-value
1	Green image	0.422	29.135	0.847	849.426	0.000
2	Green satisfaction	0.398	6.771	0.231	45.976	0.000
3	Green trust	0.186	3.436	0.072	11.830	0.000
4	Reference group	0.087	2.841	0.050	8.087	0.000
5	Customer loyalty	0.172	2.921	0.053	8.556	0.000
6	Green advertisement	0.293	8.116	0.301	65.899	0.000

R<sup>2</sup> values for these above variables are 0.660 in the case of reference group and the value of green advertisement is 0.523 so these shows that these positive predictor of this model. The output of regression between the customer buying habits came from green loyalty and all the variables considered for this research are gathered and explored. This output can be described in such a way green loyalty satisfaction, green loyalty marketing, green loyalty image, green loyalty, reference group and green advertisement create high degree of customer buying habits. As the most important decision that proves to be strategic for the study i.e. green loyalty, is to find the most important factors that have a positive impact on the customer buying habits. Taking green loyalty as a major role in market rather the marketer can solve this purpose: researchers and companies have to understand green loyalty importance in the mind of the customers and how it will affect their buying habits.

## FINDINGS

To understand easily, a model was introduced to evaluate the effect of green loyalty on customer buying habits. The above model that we used for study is developed from the literature, in which the researchers identified that all these variables are the factors which have an impact on customer buying habits because of green loyalty. While taking the objectives of this study individually like one by one, as this research provides the factors that have an impact on customer buying habits towards green loyalty from the review of literature. Green image, green satisfaction, green loyalty, green loyalty, reference group and green advertisement have a significant difference. Hence, the marketers have to pay more attention on making a positive edge of the variables that we

considered for the study the offerings in the way to receive the same output for customer buying habits. At large, the positive customer buying habits can be generated through higher levels of green loyalty. In the future the more customers will give more attention to green loyalties and the products offered by them and they also realize that green loyalty companies will attract more customers than others. Green loyalty should be described as a important part of overall trust strategy which could help in gaining the eco-friendly environment and can get to the desired objective and performance of the firm's (Leonidou et al. 2011).

## **CONCLUSION**

At the end the conclusion is this that green loyalty image, satisfaction, trust, reference group, green advertisement these all factors emerged as they have a strong influencing power of customer buying habits towards green loyalty. So that will give the researchers and companies and academicians a conceptual framework for further research. It will give some help to one who make policy and researchers to give more attention on these issues in order to influence the customer buying habits and other stakeholders.

## **LIMITATIONS OF THE STUDY**

Every possible step has been taken to give the findings in a very standard way, but there is always a phenomenon that every study has a few limitations. Time boundation, many areas have not been covered. Convenient sampling is used, which is non-probability sampling technique and fail to provide real scene of the society. Based on the sampling another limitation is that research was conducted on a limited size.

## **REFERENCES**

- Ambler, T. (1997). How much of trust is explained by trust. *Management Decision*, 35(4), 283–292.
- Aaker, D. (1991). Brand equity. La gestione del valore della marca.
- Bakewell, C. and Mitchell, V. (2013). Generation Y female consumer decision-making style. *Journal of Retail & Distribution Management*, 31(2), 95-106.
- Chan, R.Y.K. (2008). Determinants of Chinese consumers' green purchase behavior. *Psychology & Marketing*, 18(4), 389-413.
- D'Souza, C. & Taghian, M. (2005). Green advertising effects on attitude and choice of advertising themes. *Asia Pacific Journal of Marketing and Logistics*, 17(3), 51 – 66.
- Flavia´n, C., Guinaliu, M. and Torres, E (2005). The Influence of Corporate Image on Consumer Trust: A Comparative Analysis in Traditional Versus Internet Banking. *Internet Research*, 15(4), 447–470.
- Ganesan, S. (1994). Determinants of Long-Term Orientation in Buyer-Seller Relationships. *Journal of Trust*, 58(2), 1–19.

- Gurau, C. & Ranchhod, A. (2005). International green marketing: a comparative study of British and Romanian firms. *International Marketing Review*, 22(5), 547-61.
- Hanas, J. (2007). A world gone green; environmental awareness has not only yipped in the media: it's hit corporate boardrooms as well. Retrieved on December 2007 from <http://adage.com/eco-marketing/article?article>.
- Hofstede, G. (1980). *Culture's Consequences. International Differences in Work-related Value*, Newbury Park:Sage.
- J. H. Kim and S. H. Kang (2008). Trust in hospital trust. *Journal of Business Research*, 61(1), 75–82.
- Khandelwal, U. & Bajpai, N. (2011). A Study on Green Advertisement and its Impact on Consumer Purchase Intention. *Journal of creative communication*, 6 (3), 259-276.
- Leonidou, L. C., Paliawadana, D., & Theodosiou, M. (2011). National export-promotion programs as drivers of organizational resources and capabilities: effects on strategy, competitive advantage, and performance. *Journal of International Marketing*, 19(2), 1-29.
- Martenson, R. (2007). Corporate Trust Image, Satisfaction and Store Green loyalty; A Study of the Store as a Trust, Store Trusts and Manufacturer Trusts. *Inter-national Journal of Retail & Distribution Management* 35(7), 544–555.
- Milton, S. (1986). A sample size formula for multiple regression studies. *The Public Opinion*, 50(1), 112-118.
- Moorman, C., Zaitman, Z. & R. Deshpande (1992). Relationships between providers and users of market research: The dynamics of trust within and between organizations. *Journal of Trust Research* 29(3), 314–328.
- Olsen, S. O. (2002). Comparative evaluation and the relationship between quality, satisfaction, and repurchase green loyalty. *Journal of the Academy of Trust Science* 30(3), 240–249.
- Ottman, J.A. (1992). *Green loyalty*. Chicago: NTC Business Books.
- Ottman, J.A. (2007). *Next-generation green marketing: beyond billboards*. Chicago: NTC Business Books
- Ottman, J.A., Stafford, E.R. & Hartman, C.L. (2006). Avoiding green marketing myopia: ways to improve consumer appeal for environmentally preferable products. *Environment*, 48 (5), 22-36.
- Peattie, K. & Crane, A. (2005). Green marketing: legend, myth, farce or prophesy. *Qualitative Market Research*, 8(4), 357-70.
- Polonsky, M. J. (1994). Green loyalty regulation in the US and Australia: The Australian checklist. *Greener Management International*, 5(1), 44–53.
- Rule, B.K. & Ferguson, T.J. (1986). The effects of media violence on attitudes, emotions, and cognitions. *Journal of Social Issues*, 42 (1) 29-50.
- Ryan, A.M. (2001). The peer group as a context for the development of young teenagers motivation and achievement. *Child Development*, 72(6), 1135-1150.

- Schwegker, C.H. & Cornwell, T.B. (1991). An examination of ecologically concerned consumers and their intention to purchase ecologically packaged products. *Qualitative Market Research*, 7(3), 327-360.
- Singh, J. and Sirdeshmukh. D (2000). Agency and Trust Mechanisms in Consumer Satisfaction and Green loyalty Judgements. *Journal of the Academy of Trust Science* 28(1), 150–167.
- Stafford, E.R. (2003). Energy efficiency and the new green marketing. *Journal of Environment*, 18(7), 8-10.
- Strong, C. (1996). Features contributing to the growth of ethical consumerism: a preliminary investigation. *Marketing Intelligence & Planning*, 14(5), 5-13.
- Yu-Shan.Chen (2009). The drivers of green loyalty. *Journal of business ethics*, 95(2), 307-319.