



Influence of Green Marketing Mix and Customer Fulfillment: An Empirical Study

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Abstract

The aim of this research is to explore the influence of green marketing mix on customer satisfaction. The data was collected through survey questionnaire using 5 point Likert scale from the sample of 230, but 203 useable responses were received. The data was analyzed in SPSS 22. Correlation and regression tests were applied to get the results. The findings indicted the green marketing mix and its dimensions are significantly and positively correlated to customer satisfaction. It also indicated that green marketing mix is very strong predictor of customer satisfaction. Green environment is the need of today's era so the research highlights that the customer satisfaction can be achieved using green marketing mix. As the concept of green marketing is still emerging, we will recommend more similar studies with larger and different population. We will also recommend this study in the presence of moderating variables like gender, age, income.

Keywords: Green Marketing; Green Marketing Mix; Customer Satisfaction; Food Sector.

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1. Introduction

The desires of human beings are countless and the wish to have more in their life is never ending, but unfortunately the reserve and capability of any system has some limits. Therefore, a true marketing strategist should find new ways to utilize the available resources more effectively and have efficacy in the process to fulfil customer's demands [1, 2]. Green marketing has a significant impact on customer's attitude and also has a critical aspect towards the environmental management. Green marketing was first established in 1980s-1990s but its discussion took place quiet earlier. The first work on environmental marketing was in 1975 by the "American Marketing Association" (AMA) on the topic of Ecological Marketing. The work done on green marketing in this workshop then led to the first publication of its book, which was titled "Ecological Marketing"[3]. Most of the people consider that it entirely deals with environmental components, especially when it comes to its purchasing behavior. Environmental marketing specifies to eco-friendly produce such as healthful eatables, products without phosphate, and ozone friendly products which can be recycled, replenished or are eco-friendly. In broad, green marketing is very vast topic that can be practiced and applied to consumer products, industrial products and also services. It includes wide range of processes such as product adjustment, handling the production system as well as handling the packaging process and also modification in advertisement department [3]. Furthermore, from the customer's prospective, their expectation from the company is to reduce the production of toxins during the production, ability to reprocess the products and also provide safe water. Consumers are willing to spend more money on green products specially if the production is from developing countries [4].

Consumers want to maintain their relationship with eco-friendly businesses as they want to take part in improving the environment [5]. The recent change in the environment can be a threat for our economic conditions as well as a threat for our own existence. It is justifiable to say that the change in climate effects our vital requirements such as cleanliness of water, clean atmosphere to breathe, sufficient production of nutritious food and a safe place to live. Economically developing countries like Malaysia, Mexico, Pakistan, Kuwait, India, Brazil and Bangladesh can construct strong phenomena in the change of climate through the adaption of their customer's behavior towards green marketing. In present day, consumers are getting more and more sensitive towards some factors. Some of the factors include customer's loyalty towards eco-friendly production, global warming and safety of the environment, good quality, and demand of cheaper goods, comfort and environmental consciousness. Marketing strategists should brainstorm to find new opportunities to increase product value, strength and also try to find ways to increase customer's loyalty towards green marketing [3]. In general, most of the studies focused on quality of goods, meeting customer expectation, improving company's image and gaining consumers loyalty, but very few of these studies also examined the innovation of green marketing and its impacts on our environment. Reference [3] suggested that green marketing is just an emerging theory and a lot of work and research studies needs to be conducted on this topic for better understanding of its all aspects. Hence, it is necessary to conduct empirical research studies on strategies of green marketing and its effects on consumer satisfaction in the third-world country like Pakistan.

2. Problem Identification

The consumers from all around the world are more aware of green marketing and concerned for environmental safety. By using green marketing strategies, a company can get more customers as well as get more profit [6]. The key of success is to use them in an effective and correct manner. In general, environmental marketing is more beneficial for the society. Benefits like insurance of long-term growth, stability towards profitability and saving more money in long run also help companies to develop marketing strategies for their goods and services, acknowledging the environmental safety, accessing them to learn tactics of new markets and at the same time have a competitive edge. Similarly, environmental marketing also has to face some difficulties and challenges, like green goods require reviewing and recycling materials, which is costlier than others. It also needs a huge investment to gain technology which is necessary in the process of research and development. There are still a large number of consumers who are not well aware of green marketing and its benefits and therefore this large group is also not willing to pay more money for eco-friendly products. On a global level, environmental market strategies transfer and implement more strength in the society [3]. In many developing countries, policies have been developing for green management by “Central Environmental Authority” (CEA) for green marketing, sustainable improvement and industrial wastage. For this purpose, in Pakistan the “Pakistan Environmental Protect Agency” (PAK-EPA) was established in 1997 under section No: 5, it was approved by “Environmental Impact Assessment” (EIA) and they got their certificate to develop laboratory from “Initial Environmental Examination” (IEE) which is established in the capital of Pakistan – Islamabad [7].

3. Objectives

The main motive of this is to figure out the importance of relationship between environmental marketing and consumer fulfilment and how the green marketing mix will impact customer satisfaction, as well as to encourage green practices in organization for friendly environment.

4. Literature Review

The term “Green Marketing” has derived over a sustained duration of time. There are three phases of green marketing which is in progression and transformation period. “Ecological green marketing” is called the first phase. All movements and activities in this ecological phase try to improve and correct environmental issues as well as amendment corrections. “Environmental green marketing” is called the second phase. In this phase, there is more attention toward clean technology for the purpose of innovation and creativity of products that can prevent from uncleanness and impurity of waste in regarding pollution issues. “Sustainable green marketing” is considered the third phase. The significance and eminence of this term sustainability came in the duration of 1990s and of 2000 starting period. The term “Green Marketing” is engaged in evolution and improving quality products and services that are involved to fulfill customer needs and wants with fulfillment, efficiency and quality without affecting environmental issues [1].

The bond and relationship of loyal customers describes the integration and faithfulness with an organization through buying their products and services continuously [8]. The intensely engagement of customers show their

behavior of purchasing again and again a specific product or service continuously in the future[9].In the same manner,Chaudhuri and Holbrook [10], viewed the loyalty of customers as a deep relation and bonding with a firm on all situations in future buying and purchasing, even if they have alternatives. In general, loyalty of the customers can be explain with their attitude, engagement, sincerity and behavioral perspective.

According to [5, 11, 12] the term behavior loyalty clearly express the customer act and behavior of purchasing long lasting and persistently to that brand even if there is competition exist. On the other hand, attitudinal loyalty express emotive and affecting relation with that brand on the first choice in purchasing products and services. However, situational loyalty describes the condition of buying products at the buying time when a customer purchase a product during shopping. All these terms of loyalty can be included in marketing role but the first priority of firms is to be attitudinal loyalty of customers.

Rakhsha and Majidazar [13],examined the impact of green marketing mix on customer plus consumers loyalty and satisfaction in Iran, who were the consumers of East Azerbaijan Pagah Dairy Company which is located in Tabriz. The results showed the significant impact on customer satisfaction in green marketing is mix. In addition, there was also found the significant impact of consumer's satisfaction on consumer's loyalty. After examining the impact of green marketing mix on customer's and consumer's satisfaction and loyalty, it can be analyzed through competitive advantage of firm's marketing strategy. Green marketing can play a vital role in marketing strategies improvement perspective.

Yazdanifard and Mercy [14] explained in, "the impact of Green Marketing on Customer satisfaction and Environmental safety" that being green, sustainability, eco-friendly products, environmental safety and developments, prevention from polluted water and waste has become an eminent phenomena in our daily life. A lot of improvements and advancements are possible due to a greening approach. Thus, due to this study, researchers can collect more information regarding the effect of green marketing on environmental safety and customer satisfaction.

Chang and Fong [5] resulted "the relationships between green product quality, green corporate image, green customer satisfaction and green customer loyalty" that , green product quality has a significant positive relationship with green customer satisfaction and green customer loyalty. Secondly, green corporate image has significant positive relationship with both green customer satisfaction and green customer loyalty. Third and the last, results reported that there is a significant positive relationship between green customer satisfaction and green customer loyalty. The empirical research showed that there is a significant relationship between green customer satisfaction and green customer loyalty. Furthermore, both green customer satisfaction and green customer loyalty come through green corporate image.

Prakash [15] examined his study on green marketing, public policy and managerial strategies. According to the author, Green marketing involves in green products plus green organizations. The four P's of the marketing mix are product, price, place and promotion are practicing that need accurate and cautious recognition of public policy processes. The specified article observes initially on promoting and giving prominence to those products in which confining address about environmental conditions and manufacturing companies that are engage in

making and selling to the customers. Mainly, the research emphasizes on product attributes and price problems. Studying on various researches and literatures, the author reported that prominent problems like where should be focus to be going greening in products, process and systems. Additionally, the study was to observe on consumers on why they purchase or not purchase green products and firm's strategies on environmental issues and problems with all these information data.

According to Yazdanifard & Mercy [14], mainly green marketing researches have emphasized on developed countries rather than on developing countries. Now there is need to do research focusing on developing countries more than developed countries because different results can be obtain through this process. Furthermore, through these studies there can be found more data regarding green marketing effects on customer satisfaction. These findings will help organizations, manufacturers and policy makers to improve environmental prevention products and eco-friendly products to improve customer satisfaction and reduce their dissatisfaction.

5. Hypotheses Development

There was established a conceptual model after the literatures study. The green marketing model builds new constructs in practices and investigates that customer satisfaction is also included as a function of green marketing practices in the four P's (product, price, place, promotion).

H1: A significant positive association exist between Green Marketing Mix and Customer Satisfaction.

H1a: A significant positive association exist between Green Marketing Product and Customer Satisfaction.

H1b: A significant positive association exist between Green Marketing Price and Customer Satisfaction.

H1c: A significant positive association exist between Green Marketing Place and Customer Satisfaction.

H1d: A significant positive association exist between Green Marketing Promotion and Customer Satisfaction.

H2: Green Marketing Mix is significant predictor of customer satisfaction.

H2a: Green Marketing Product is significant predictor of customer satisfaction.

H2b: Green Marketing Price is significant predictor of customer satisfaction.

H2c: Green Marketing Place is significant predictor of customer satisfaction.

H2d: Green Marketing Promotion is significant predictor of customer satisfaction.

6. Research Frame Work

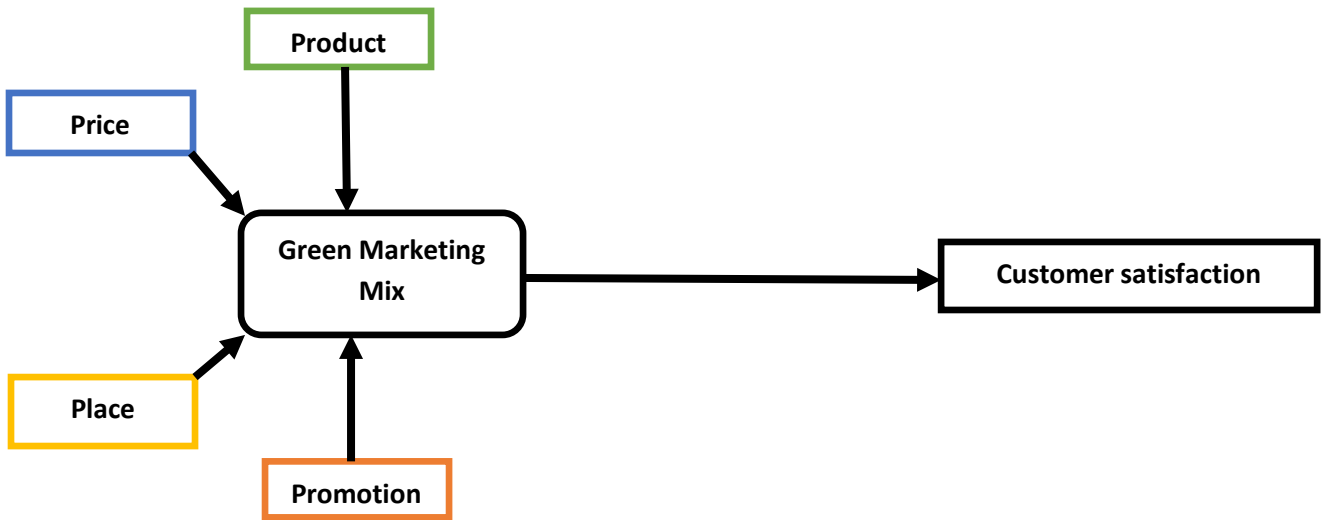


Figure 1: Research Model

7. Research Methodology

7.1. Data collection & Sampling

The data was collected through simple random sampling from the food industry of Multan city Pakistan i.e. restaurants, fast-food (Pizza hut, Burger King, KFC, Ramada Inn, Shangrila Cuisine Food Mela, etc.). Survey questionnaires were used to gather information from the customers with the help of managers and supervisors. The reliability test was taken with cronbach alpha which was .88. Total of 230 questionnaires were circulated of which 203 useable ones were returned. The 143 male respondents with the percentage of 70.4 and 60 female respondents with percentage of 60.4 out 203 survey questionnaires. The frequency of the age group from 20 to 25 was 72 respondents with the percentage of 35.5, from 26 to 30 were 50 respondents with the percentage of 24.6, 31 to 35 were 55 respondents with the percentage of 27.1, 36 to 40 were 22 with the percentage of 10.8 and 41 to above were 4 respondents with the percentage of 2.0.

7.2. Correlation Analysis

Table number two displays the results of correlation analysis. We can see that green product, price, promotion and place are positively and significantly correlated with customer satisfaction. The overall green marketing mix ($r=0.714$, $P < 0.01$) is significantly and positively correlated with overall customer satisfaction ($r=0.526$, $P < 0.01$). Correlation between green product and green place is significantly positive ($r=0.614$, $P < 0.01$). The results of table no. 2 proves the hypothesis. **H1, H1a, H1b, H1c, H1d.**

Table 1: Demographic Results

Variable	Name	F	%
Gender	<i>Male</i>	<i>143</i>	<i>70.4</i>
	<i>Female</i>	<i>60</i>	<i>29.6</i>
	<i>Total</i>	<i>203</i>	<i>100</i>
Age	<i>20 to 25</i>	<i>72</i>	<i>35.5</i>
	<i>26 to 30</i>	<i>50</i>	<i>24.6</i>
	<i>31 to 35</i>	<i>55</i>	<i>27.1</i>
	<i>36 to 40</i>	<i>22</i>	<i>10.8</i>
	<i>41 and above</i>	<i>4</i>	<i>2.0</i>
	<i>Total</i>	<i>203</i>	<i>100</i>
Marital Status	<i>Married</i>	<i>115</i>	<i>56.7</i>
	<i>Single</i>	<i>88</i>	<i>43.3</i>
	<i>Total</i>	<i>203</i>	<i>100</i>

Table 2: Inter-correlation Matrix

Correlations							
Variables		Green Product	Green Price	Green promotion	Green Place	Customer Satisfaction	Green Marketing Mix
Green Product	Pearson Correlation	1					
	N	203					
Green Price	Pearson Correlation	.526	1				
	Sig. (2-tailed)	.000					
	N	203	203				
Green promotion	Pearson Correlation	.314	.441	1			
	Sig. (2-tailed)	.000	.000				
	N	203	203	203			
Green	Pearson	.602	.627	.714	1		

Place	Correlation						
	Sig. (2-tailed)	.000	.000	.000			
	N	203	203	203	203		
Customer Satisfaction	Pearson Correlation	.614	.641	.522	.789	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	203	203	203	203	203	
Green Marketing Mix	Pearson Correlation	.714	.793	.802	.916	.787	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	203	203	203	203	203	203

Correlation is significant at the 0.01 level (2-tailed).

7.2. Regression Analysis

Table number three explains the regression analysis of green product, price, place and promotion. We can see that the value of green product, price and place are significant predictor to the customer satisfaction. The values of beta (B) indicated the impact of variables. We see that Green product have 17%, price has 18%, and place has 51% impact on the customer satisfaction. While the green promotion value is insignificant and the beta value is very low and negative.

Table 3: Regression Analysis

<i>Coefficients</i>			
<i>Model</i>	<i>B</i>	<i>T</i>	<i>Sig.</i>
Green Product	.179	3.050	.003
Green Price	.181	3.734	.000
Green Place	.518	8.054	.000
Green Promotion	-.033	-.745	.457

Table number four nominated the results of overall green marketing mix. We can see that green marketing mix is a significant predictor of customer satisfaction with a high beta value (0.863). It mean Green marketing mix

has 86% impact on customer satisfaction. Hence the result of table no. 3 and table no. 4 proves the hypothesis H2, H2a, H2b, and H2c. While the hypothesis H2d was rejected.

Table 4: Regression Analysis

<i>Coefficient</i>			
<i>Model</i>	<i>B</i>	<i>T</i>	<i>Sig.</i>
Green Marketing Mix	.863	18.064	.000
R Square = 0.61			

8. Conclusion & Future Directions

Based on the results we can see the green marketing mix and its dimensions all are significant and positively correlated to customer's satisfaction. While in regression, except green promotion, all the dimensions are significant and the overall green marketing mix are a strong significant predictor of customer satisfaction. By concluding these results, an organization in these restless environment can achieve customer satisfaction with green marketing strategies.

There were also some limitations in this study. First of all, the data was collected from the population of food industry in Multan city, and this city is not very big with very few big restaurants for data collection. Second, the data was collected from the customers who visited restaurants for lunch and dinner hours. So the response may not be very effective. For future we will recommend such study with big population in big cities. The moderation effect of age, gender, income can also be the part of future study. We will also recommend the same study in different countries.

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