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## **‘Green Pricing’ and ‘Green Buying Decisions’-a Case Study of Young Consumers**

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### **Abstract:**

*Green price plays an important role in green product buying decision and green buying activities. This study examines the existence of association between influence of green price and involvement of green buying decision and reveals that there exist association between the degree of influence of green price and the degree of involvement in green buying decision in respect of the young consumers in urban areas of north east India.*

**Keywords:** *Green marketing, green marketing mix and green price*

### **1. Introduction**

Environmental issues have been most frequently used items in academic exercises in present days. Green product buying intension has been the prime study area of research activities in green marketing. Green price elements have become motivating forces to the consumers in green buying decision. Consumers are involved in green buying activities due to the impacting results of many factors. Therefore, it is important to study the green buying intension and green buying practices from the perspective of Green Price.

### **2. Genesis of the Problem**

The term green is given to those products and processes that are biodegradable, save energy and resources or are manufactured and disposed using environmental friendly techniques. Green marketing refers to the process selling products or services based on their environmental benefits. The production and packaging of such products or services are based on environmental friendly methods.

Green Marketing has been an important academic research topic since it came about (Coddington, 1993; Fuller, 1999; Ottman, 1994). Attention was drawn to the subject in the late 1970's when the American Marketing Association organized the first ever workshop on 'Ecological Marketing' in 1975, which resulted in the first book on the subject, entitled 'Ecological Marketing' by Henion and Kinnear in 1976. The first definition of 'green marketing' was according to Henion (1976); "the implementation of marketing programmes directed at the environmentally conscious market segment" (Banerjee, 1999). Peattie and Crane (2005) claims that despite the early development, it was only in the late 1980's that the idea of green marketing actually made an appearance, because of the consumers' growing interest in green products, increased awareness and willingness to pay for green features.

Given the above, the problem under investigation is to examine the green buying decision and green buying practices from the perspective of Green Price; in other words, there is a need to examine the extent of Involvement in Green Buying Decision of the youth which is influenced by green price related perceptions.

### **3. Survey of Literature**

Price is the value attached to a product (Engel, 2008). Green pricing is a strategy, which allows marketers to adjust their pricing structure in line with their investment in green efforts to allow sustainability of the organization. Many environmentalists are concerned that product prices do not represent total environmental costs. For example, the costs of waste disposal are often incurred on a basis of fixed fees, without regard for the actual amount of waste that is generated. Along the same lines, the costs of environmental degradation or depletion are not accounted for by most countries' national accounting systems. In some cases, after-the-fact pollution control and remediation expenditure are included as income. The assertion that goods and services related to greater environmental damage should cost more, make up the basis of the majority of greener pricing decisions (Engel, 2008).

Green pricing takes into consideration the people, planet and profit in a way that takes care of the health of employees and communities and ensures efficient productivity. Value can be added to it by changing its appearance, functionality and through customization, etc. Wal Mart unveiled its first recyclable cloth shopping bag (Mohanasundaram, 2012). Many consumers assume that green products are often priced higher than conventional products (Peattie,1999; Polonsky,2001). While green products are often "priced" higher than traditional goods, this does not always mean they cost more, especially when one considers all associated costs. Often, green goods have higher initial out-of-pocket expenses but lower long-term costs (Rubik and Frankl, 2005).

Pricing is a critical element of the marketing mix. Most customers are prepared to pay a premium if there is a perception of additional product value. This value may be improved performance, function, design, visual appeal or taste. Environmental benefits are usually an added bonus but will often be the deciding factor between products of equal value and quality. Environmentally responsible products, however, are often less expensive when product life cycle costs are taken into consideration Lal B. Suresh, (2011a).

A survey of Grail Research, 2009 on U.S. consumers shows that consumers who never bought green products perceived green products as too expensive and so don't buy them. A year later survey reveals that price is the most important factor and it is the main reason also for not buying the green products. A positive significant relation is found between the price and green buying behaviour of consumers (Boztepe, 2012). Belz and Peattie (2008) revealed that green marketing stressed on green consumers. These consumers would be eager to pay extra cost for the products that do not harm the environment. There are many consumers who would pay extra premium and decide to purchase green products. But the results of study by Rohit Nema stated that consumers are not willing to pay extra price for green products. The level of willingness exhibited by India consumers is low which suggests that India marketers should make strategies for cutting the cost (Nema, 2011). Perceived product price is one of the factors impacting the consumers' buying behaviour (D'Souza et al., 2006). He further added that hard core environmentalist does not see price before buying the green product and does not let prices determine their buying behaviour. Having a positive attitude towards green products and recycling is different from willingness to pay more for such products. There can be a buying behaviour where consumers support the green products and recycling but are not ready to pay extra cost (Hansla et al., 2008). There are studies which show where prices impact the consumer buying behaviour for green products and there are studies which contradict this view point. Unless and until discounts are given and promotions are stressed, prices will remain a hurdle (Gatersleben et al., 2002). Eriksson, (2004) assumes that consumers are willing to pay an extra premium for a good if it has a low impact on the environment. We examine if a little dose of such idealistic behaviour has a large impact on the market equilibrium, and to what extent it can replace the environmental regulation. The analysis is carried out in a model with product differentiation, where consumers differ in their preferences for product quality. Consumers' willingness to pay the environmental premium may be uniformly or non-uniformly distributed. Green consumerism will only be modestly influential in both cases, despite the fact that product differentiation leads to relaxed competition and increased profits, and thereby creates leverage.

Tilikidou and Delistavrou (2014) conducted research on Greek consumers in 2011, they found their conservation behaviours were largely driven by financial motives rather than environmental concerns because of the financial reasons during economic crisis, which also restricted consumers' actual pro-environmental purchase choices. In addition, researchers found that there is a negative relationship between higher price and green purchase behaviour, in other words, consumers are less likely to purchase green products if they are more expensive than alternatives (Gan et al., 2008). Furthermore, Essoussi and Linton (2010) conducted a research on recycled products purchase and they found it depends on the type of product for consumers' willingness to pay for a premium price.

Example of potential topics would include whether Chinese industrial customers and consumers would be willing to pay premium pricing for green products. Another issue, related to microeconomic pricing strategy, is integration of ecological externalities into pricing. This may also be accomplished through the consideration of life-cycle pricing (Grimmer et al., 2015). The Chinese situation may provide distinctive pricing strategy research results due to unique environmental, geographic, and socio-political context.

Theoretical frame work considered for the present study is based on the survey of literature and is depicted below in the form of Chart-

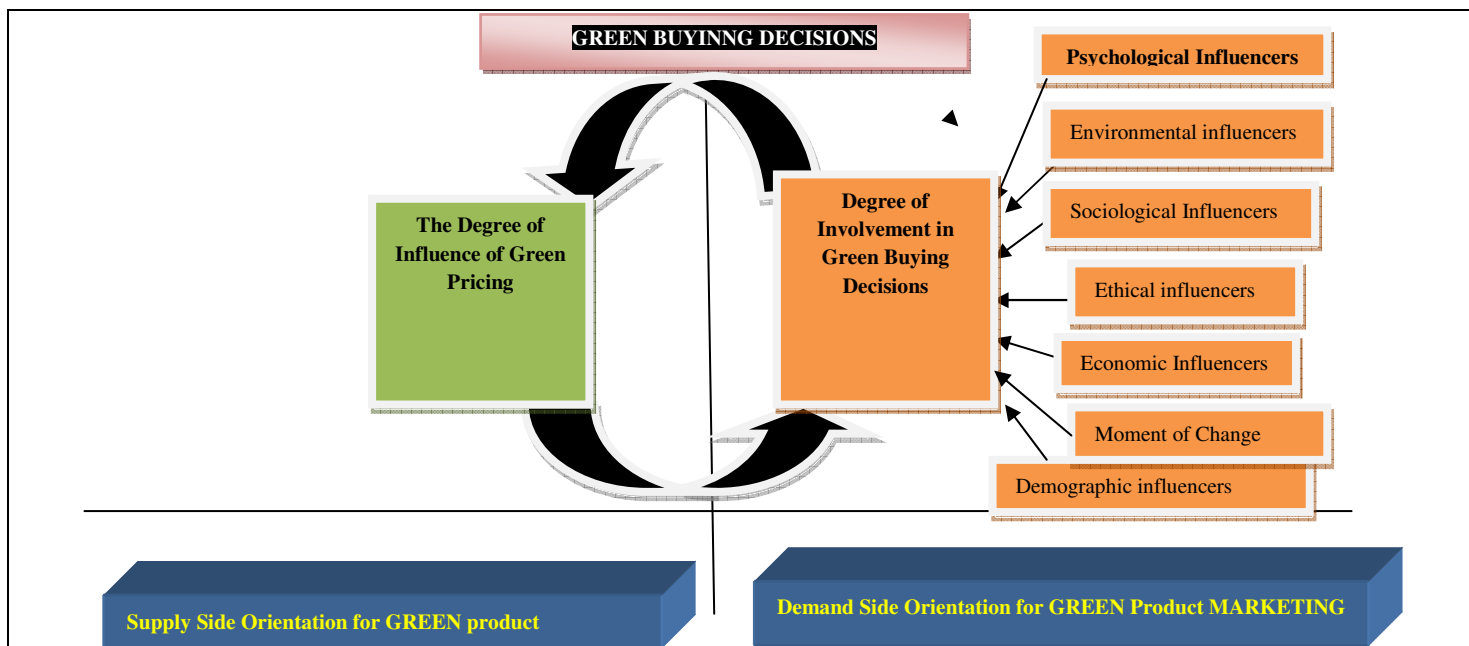


Figure 1: Theoretical Frame Work  
Source: Developed by the Researchers

From the above it is discernible that, other things remaining constant, there exists influence of green price in the green buying decisions. Similarly, involvement in green buying is the function of the degree of influencers like psychological issues, environmental issues, sociological issues, ethical issues and economic issues.

Accordingly, variables considered for the proposed study were: [A] 'The Degree of Influence of Green Price' and [B] 'Degree of Involvement in Green Buying Decision'. This is assumed to be sum total of [1] the degree of influence of Psychological issues, [2] the degree of influence of Environmental issues [3] the degree of influence of sociological issues [4] the degree of influence of Ethical issues [5] the degree of influence of Economic issues [6] the degree of influence of Moment of Change and [7] the degree of influence of Demographic variables. To measure the degree in respect of each of the above variables, items were selected from the survey of literature [Reported in annexure 1] and appropriate scaling techniques as well as reliability of the scale was assessed.

#### 4. Objective of the Study

The objective of the present study is to examine the extent of association between 'The Degree of Influence of Green Price' and 'Degree of Involvement in Green Buying Decision' in respect of the young consumers in urban areas of North-East India.

#### 5. Hypothesis of the Study

The hypothesis considered in the study is:

There is no significant association between 'The Degree of Influence of Green Price' and 'Degree of Involvement in Green Buying Decision' in respect of the young consumers in urban areas of North-East India.

#### 6. Methodology

##### 6.1. Study Design

The present study is both descriptive and explanatory. This research study involved qualitative as well as quantitative approaches.

##### 6.2. Sampling Design of the Study

###### 6.2.1. Universe of the Study

The number of students enrolled in 8 universities located in capital cities of 8 states of north-eastern India in different courses conducted at the campus only constituted the Population size. Thus, the Population size for the present study was 23124. University wise breakup is shown in the section 'Sample Selection'.

###### 6.2.2. Sampling Frame and Units

Each young consumer (i.e. at the age of 16-30 years) is taken as sampling unit.

###### 6.2.3. Sample Selection

Sample size for this study has been determined on the basis of Krejcie and Morgan table. Sample sizes of different universities are listed below:

University	Population Sample	(KM Table)	Sample Size Determined
GU	5482	6000=361	361
MU	3412	3500=346	346
MZU	2304	2400=331	331
NU	830	900=269	269
NEHU	5289	6000=361	361
RGU	1649	1700=313	313
SU	1350	1400=302	302
TU	2808	3000=341	341

Table 1

##### 6.3. Data Collection Design for the Proposed Study

The primary data was collected with the help of schedule. There was pre-testing of schedules in the field to find out its suitability, adaptability and utility in achieving the objectives of the study. The respondents were asked to respond to the items in the 5-point scale. The required secondary data was collected from different reports, books, journals and periodicals, newspapers published by govt. and private agencies.

## 6.4. Data Analysis Design

## 6.4.1. Demographic Profile

		Gender		Total
		Male	Female	
University	GU	158	199	357
	MU	189	111	300
	MZU	101	174	275
	NEHU	169	158	327
	NU	69	163	232
	RGU	127	176	303
	SU	99	113	212
	TU	173	139	312
Total		1085	1233	2318

Table 2: University \* Gender Cross tabulation  
Source: compiled from Survey Data

		Age				Total
		15 To 20 Years	20 To 25 Years	25 To 30 Years	30 And Above	
University	GU	52	213	90	2	357
	MU	62	219	17	2	300
	MZU	63	203	7	2	275
	NEHU	94	221	10	2	327
	NU	26	206	0	0	232
	RGU	60	234	9	0	303
	SU	13	198	1	0	212
	TU	44	265	3	0	312
Total		414	1759	137	8	2318

Table 3: University \* Age Cross tabulation  
Source: compiled from Survey Data

		Class				Total
		Graduate	Post Graduate	Mphil / Phd	Others	
University	GU	138	141	67	11	357
	MU	65	222	10	3	300
	MZU	73	157	22	23	275
	NEHU	95	158	50	24	327
	NU	29	203	0	0	232
	RGU	84	176	43	0	303
	SU	6	193	13	0	212
	TU	54	250	7	1	312
Total		544	1500	212	62	2318

Table 4: University \* Class Cross tabulation  
Source: compiled from Survey Data

		Hailing from			Total
		Rural Area	Urban Area	3.00	
University	GU	196	161	0	357
	MU	199	101	0	300
	MZU	124	151	0	275
	NEHU	175	151	0	326
	NU	78	154	0	232
	RGU	200	99	3	302
	SU	123	89	0	212
	TU	192	120	0	312
Total		1287	1026	3	2316

Table 5: University \* Hailing from Cross tabulation  
Source: compiled from Survey Data

		Frequency of buying green product			Total	
		Purchased Once	In A Week	Purchased Once In A Month		Never
UNIVERSITY	GU		111	226	20	357
	MU		154	126	20	300
	MZU		135	130	10	275
	NEHU		165	159	3	327
	NU		88	132	12	232
	RGU		133	147	21	301
	SU		124	88	0	212
	TU		161	151	0	312
Total			1071	1159	86	2316

Table 6: University \* Frequency of Buying Green Product Cross Tabulation  
Source: compiled from Survey Data

### 6.5. Data and Analysis of Scale Statistics

#### 6.5.1. Overall Degree of Price Influence on Green Buying Decisions

Name of University	Mean	Variance	Std. Deviation	N of Items
GU	27.3782	40.387	6.35512	8
MU	26.6167	26.304	5.12875	8
MZU	26.3418	21.919	4.68180	8
NEHU	25.7187	38.307	6.18927	8
NU	26.0388	36.505	6.04194	8
RGU	26.2541	31.097	5.57651	8
SU	27.0330	30.515	5.52408	8
TU	26.0224	34.401	5.86527	8

Table 7: University Wise Scale Statistics for Overall Degree of Price Influence  
Source: compiled from Survey Data

University wise data reveals that there exists different Degree of Price Influence on young consumers regarding Green Buying Decisions.

#### 6.5.2. Overall Degree of Involvement Resulting from Psychological Factors from the perspective of Price

Name of University	Mean	Variance	Std. Deviation	N of Items
GU	26.2605	95.755	9.78545	8
MU	26.7500	43.071	6.56286	8
MZU	27.4036	36.293	6.02434	8
NEHU	25.3486	40.007	6.32510	8
NU	23.2814	42.281	6.50241	8
RGU	26.1980	44.318	6.65720	8
SU	26.8302	44.132	6.64320	8
TU	25.9647	28.883	5.37429	8

Table 8: University wise Scale Statistics for Overall Degree of Price Influence from Psychological Factors  
Source: compiled from Survey Data

University wise data calculation reveals that there exists different degree of involvement resulting from Psychological Factors with respect to green buying decisions from the perspective of young-consumers.

### 6.5.3. Overall Degree of Involvement Resulting from Environmental Factors from the perspective of Price

Name of University	Mean	Variance	Std. Deviation	N of Items
GU	73.5225	42.002	8.47842	11
MU	38.9333	82.591	9.08795	11
MZU	40.2291	74.126	8.60965	11
NEHU	37.3650	68.036	8.24837	11
NU	34.9612	69.232	8.32059	11
RGU	38.8680	83.784	9.15335	11
SU	37.9575	98.913	9.94550	11
TU	37.3397	61.479	7.84086	11

Table 9: University wise Scale Statistics for Overall Degree of Price Influence Environmental Factors  
Source: compiled from Survey Data

University wise data calculation reveals that there exists different degree of involvement resulting from Environmental Factors with respect to green buying decisions from the perspective of young-consumers.

### 6.5.4. Overall Degree of Involvement Resulting from Social Factors from the perspective of Price

Name Of University	Mean	Variance	Std. Deviation	N of Items
GU	51.4454	131.810	11.48083	16
MU	48.9367	86.882	9.32107	16
MZU	49.7018	60.955	7.80734	16
NEHU	51.6330	108.883	10.43472	16
NU	48.8836	104.502	10.22260	16
RGU	50.7822	103.224	10.15992	16
SU	49.5896	100.395	10.01972	16
TU	49.9359	60.575	7.78297	16

Table 10: University wise Scale Statistics for Overall Degree of Price Influence Related to Social Factors  
Source: compiled from Survey Data

University wise data calculation reveals that there exists different degree of involvement resulting from Social Factors with respect to green buying decisions from the perspective of young-consumers.

### 6.5.5. Overall Degree of Involvement Resulting from Ethical Factors from the perspective of Price

Name of University	Mean	Variance	Std. Deviation	N of Items
GU	12.4678	18.862	4.34304	4
MU	11.2700	11.208	3.34780	4
MZU	11.8473	7.619	2.76024	4
NEHU	12.7829	9.152	3.02524	4
NU	12.1767	9.592	3.09710	4
RGU	12.0231	10.307	3.21052	4
SU	12.5849	8.926	2.98771	4
TU	12.4006	6.852	2.61760	4

Table 11: University wise Scale Statistics for Overall Degree of Price Influence Related to Ethical Factors  
Source: compiled from Survey Data

University wise data calculation reveals that there exists different degree of involvement resulting from Ethical Factors with respect to green buying decisions from the perspective of young-consumers.

### 6.5.6. Overall Degree of Involvement Resulting from Economic Factors from the perspective of Price

Name of University	Mean	Variance	Std. Deviation	N of Items
GU	19.2017	38.004	6.16475	6
MU	19.9533	27.222	5.21746	6
MZU	19.9345	12.704	3.56423	6
NEHU	18.3976	20.387	4.51525	6
NU	18.1595	17.208	4.14828	6
RGU	19.2508	25.182	5.01816	6
SU	19.6179	23.536	4.85137	6
TU	19.4808	17.080	4.13280	6

Table 12: University Wise Scale Statistics for Overall Degree of Price Influence Related to Economic Factors  
Source: compiled from Survey Data

University wise data calculation reveals that there exists different degree of involvement resulting from Economic Factors with respect to green buying decisions from the perspective of young consumers.

### 6.5.7. Degree of Involvement Resulting from Moment of Change Factors from the Perspective of Price

Name of University	Mean	Variance	Std. Deviation	N of Items
GU	17.1877	32.158	5.67085	5
MU	15.4800	10.812	3.28821	5
MZU	15.9455	7.628	2.76196	5
NEHU	15.9755	12.969	3.60121	5
NU	15.4655	12.336	3.51233	5
RGU	16.0363	14.644	3.82680	5
SU	16.1659	15.415	3.92622	5
TU	15.8846	9.871	3.14180	5

Table 13: University wise Scale Statistics for Overall Degree of Price Influence Related to Moment of Change Factors  
Source: compiled from Survey Data

University wise data calculation reveals that there exists different degree of involvement resulting from Moment of Change Factors with respect to green buying decisions from the perspective of young consumers.

### 6.5.8. Overall Degree of Involvement Resulting from Demographic Factors from the Perspective of Price

Name of University	Mean	Variance	Std. Deviation	N of Items
GU	40.3810	89.107	9.43967	13
MU	39.2267	58.470	7.64658	13
MZU	40.7418	44.148	6.64443	13
NEHU	39.9480	82.344	9.07435	13
NU	37.6034	79.020	8.88929	13
RGU	39.2145	68.619	8.28368	13
SU	37.9906	63.791	7.98695	13
TU	39.7949	36.357	6.02964	13

Table 14: University wise Scale Statistics for Overall Degree of Price Influence Related to Demographic Factors  
Source: compiled from Survey Data

University wise data calculation reveals that there exists different degree of involvement resulting from Demographic Factors with respect to green buying decisions from the perspective of young consumers.

## 7. Data and Analysis of Reliability Statistics

Reliability Statistics of [a] Scale used to measure the Degree Of Price Influence on young consumers regarding Green Buying Decisions [with Cronbach's Alpha= .774, Cronbach's Alpha Based on Standardized Items= .777, N of Items=8], [b] scale used to measure the degree of involvement resulting from Psychological Factors from the perspective of Price [with Cronbach's Alpha= .730, Cronbach's Alpha Based on Standardized Items= .750, N of Items=8,] [c] scale used to measure the degree of involvement resulting from Environmental Factors from the perspective of Price [with Cronbach's Alpha= .802, Cronbach's Alpha Based on Standardized Items= .825, N of Items=11,] [d] scale used to measure the degree of involvement resulting from Social Factors from the perspective of Price [with Cronbach's Alpha= .793, Cronbach's Alpha Based on Standardized Items= .801, N of Items=16], [e] scale



used to measure the degree of involvement resulting from Ethical Factors from the perspective of Price [with Cronbach's Alpha=.780, Cronbach's Alpha Based on Standardized Items=.709, N of Items=4], [f] scale used to measure the degree of involvement resulting from Economic Factors from the perspective of Price [with THAT Cronbach's Alpha=.717, Cronbach's Alpha Based on Standardized Items=.723, N of Items=6], [g] scale used to measure the degree of involvement resulting from Moment Of Change Factors from the perspective of Price [with Cronbach's Alpha=.765, Cronbach's Alpha Based on Standardized Items=.780, N of Items=5] [h] scale used to measure the degree of involvement resulting from Demographic Factors from the perspective of Price [with Cronbach's Alpha=.767, Cronbach's Alpha Based on Standardized Items=.746, N of Items=13] appear to be reliable.

### 8. Data and Analysis of Normality Statistics

One-Sample Kolmogorov-Smirnov Test for Normality of [a] the Total of Degree of influence of Price feature reveal that data relating to degree of price influence on the green buying decisions [with Kolmogorov-Smirnov Z = 4.057 and Asymp. Sig. (2-tailed) = .000.] [b] the degree of involvement resulting from psychological perspective [with Kolmogorov-Smirnov Z = 2.681 and Asymp. Sig. (2-tailed) = .000.] [c] the degree of involvement resulting from environmental factors [with Kolmogorov-Smirnov Z = 2.679 and Asymp. Sig. (2-tailed) = .000] [d] the degree of product influence on the green buying decisions FROM SOCIAL PERSPECTIVE [with Kolmogorov-Smirnov Z = 3.955 and Asymp. Sig. (2-tailed) = .000], [e] the degree of involvement resulting from Ethical factors [with Kolmogorov-Smirnov Z = 5.275 and Asymp. Sig. (2-tailed) = .000], [f] the degree of involvement resulting from Economic factors [with Kolmogorov-Smirnov Z = 3.701 and Asymp. Sig. (2-tailed) = .000], [g] the degree of involvement resulting from Moment of Change [with Kolmogorov-Smirnov Z = 6.231 and Asymp. Sig. (2-tailed) = .000], [h] the degree of involvement resulting from Demographic factors [with Kolmogorov-Smirnov Z = 5.633 and Asymp. Sig. (2-tailed) = .000] revealed that data relating to latent variable do follow normal distributions.

### 9. Data and Analysis of Hypothesis Test Result

#### 9.1. Test of the Nature of Association between Price Influence and Factors of Involvement

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.013 <sup>a</sup>	1	.909		
Continuity Correction <sup>b</sup>	.005	1	.944		
Likelihood Ratio	.013	1	.909		
Fisher's Exact Test				.929	.472
N of Valid Cases	2318				
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 340.29.					
b. Computed only for a 2x2 table					

Table 15: Chi-Square Tests between the category of the degree of Green Pricing Influence and Category of The Degree of Green Buying Involvement Resulting from Psychological Factors  
Source: compiled from Survey Data

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.010 <sup>a</sup>	1	.919		
Continuity Correction <sup>b</sup>	.003	1	.957		
Likelihood Ratio	.010	1	.919		
Fisher's Exact Test				.925	.478
N of Valid Cases	2318				
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 252.92.					
b. Computed only for a 2x2 table					

Table 16: Chi-Square Tests between category of the degree of Green Pricing Influence and Category of The Degree of Green Buying Involvement Resulting from Environmental Factors  
Source: compiled from Survey Data

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.071 <sup>a</sup>	1	.301		
Continuity Correction <sup>b</sup>	.981	1	.322		
Likelihood Ratio	1.069	1	.301		
Fisher's Exact Test				.306	.161
N of Valid Cases	2318				
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 327.37.					
b. Computed only for a 2x2 table					

Table 17: Chi-Square Tests between category of the degree of Green Pricing Influence and Category of The Degree of Green Buying Involvement Resulting from Social Factors  
Source: compiled from Survey Data



	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.015 <sup>a</sup>	1	.901		
Continuity Correction <sup>b</sup>	.006	1	.936		
Likelihood Ratio	.015	1	.901		
Fisher's Exact Test				.930	.468
N of Valid Cases	2318				
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 346.41.					
b. Computed only for a 2x2 table					

Table 18: Chi-Square Tests between category of the degree of Green Pricing Influence and Category of The Degree of Green Buying Involvement Resulting from Ethical Factors  
Source: compiled from Survey Data

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.659 <sup>a</sup>	1	.417		
Continuity Correction <sup>b</sup>	.589	1	.443		
Likelihood Ratio	.659	1	.417		
Fisher's Exact Test				.428	.221
N of Valid Cases	2318				
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 353.21.					
b. Computed only for a 2x2 table					

Table 19: Chi-Square Tests between the category of the degree of Green Pricing Influence and Category of The Degree of Green Buying Involvement Resulting from Economic Factor  
Source: compiled from Survey Data

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.253 <sup>a</sup>	1	.615		
Continuity Correction <sup>b</sup>	.210	1	.646		
Likelihood Ratio	.253	1	.615		
Fisher's Exact Test				.627	.323
N of Valid Cases	2318				
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 343.69.					
b. Computed only for a 2x2 table					

Table 20: Chi-Square Tests between category of the degree of Green Pricing Influence and Category of the Degree of Green Buying Involvement Resulting from Moment of Change  
Source: compiled from Survey Data

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	3.070 <sup>a</sup>	1	.080		
Continuity Correction <sup>b</sup>	2.918	1	.088		
Likelihood Ratio	3.071	1	.080		
Fisher's Exact Test				.087	.044
N of Valid Cases	2318				
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 392.98.					
b. Computed only for a 2x2 table					

Table 21: Chi-Square Tests between category of the degree of Green Pricing Influence and Category of the Degree of Green Buying Involvement Resulting from Demographic Factors  
Source: compiled from Survey Data

Thus the Hypothesis : that There is no significant association between 'The Degree of Influence of Green price' and 'Degree of Involvement in Green Buying Decision' in respect of the young consumers in urban areas of North-East India from the perspective of variation in Psychological issues, variation in Environmental Issues, variation in Sociological issues, variation in Ethical issues, variation in Economic issues, variation in Moment of Change, variation in Demographic issues, is rejected and hence, it is argued that there exists significant association not only in the sample data but also in the population.

	Total of the degree of green pricing Influence		
	Pearson Correlation	Sig. (2-tailed)	N
Total of The Degree of Green Buying Involvement Resulting from Psychological Factors	.025	.235	2318
Total of The Degree of Green Buying Involvement Resulting from Environmental Factors	.032	.121	2318
Total of The Degree of Green Buying Involvement Resulting from Social Factors	-.011	.583	2318
Total of The Degree of Green Buying Involvement Resulting from Ethical Factors	.023	.265	2318
Total of The Degree of Green Buying Involvement Resulting from Economic Factor	.020	.327	2318
Total of The Degree of Green Buying Involvement Resulting from Moment of Change	.008	.692	2318
Total of Degree of Green Buying Involvement Resulting from Demographic Factors	-.011	.606	2318

*Table 22: Overall Correlation between Price Influence and Factors of Involvement*

*Source: compiled from Survey Data*

From the above table, it is revealed that there exists different as well as varying low degree of relationship between the degree of price influence and the degree of involvement resulting from factors like Social factor, psychological factor, environmental factor, ethical factor, economic factor, moment of change factor and demographic factor.

## 10. Conclusion

From the above it is discerned that the association between the degree of influence for green buying decisions ,as perceived by the young consumers of urban areas ,resulting from the influence of price features and the degree of involvement for green buying decisions, as perceived by the young consumers of urban areas, resulting from various factors like psychological, environmental, social, ethical, economic, moment of change and demographic considered separately is very low both in the samples as well as in the population. Speaking differently, these factors are less influential for green buying decisions.

## 11. Generalisations

Based on the findings of the present study following generalisations can be discerned: -

The pricing of green oriented products has typically been higher than conventional products to reflect the added costs of modifying the production process, the packaging or the disposal process. An additional reason for higher prices was the perception that consumers would pay more for green products.

Product price is often taken into account when consumers make purchase decisions (Eze & Ndubisi, 2013; Smith & Paladino, 2010); however, the trade off in attributes that consumers use and evaluate when making decisions is usually not taken into account (D'Souza et al., 2006).

Pricing of green marketing is important and considering the fact that they support environmental friendliness so the value can be added to the product for changing its appearance, functionality and through customization, etc. (Shrama & Goyal, 2012).

Green pricing is a strategy, which allows marketers to adjust their pricing structure in line with their investment in green efforts to allow sustainability of the organization. Many consumers assume that green products are often priced higher than conventional products (Peattie,1999; Polonsky,2001). While green products are often "priced" higher than traditional goods, this does not always mean they cost more, especially when one considers all associated costs. Often, green goods have higher initial out-of-pocket expenses but lower long-term costs (Rubik and Frankl, 2005). A positive significant relation is found between the price and green buying behaviour of consumers (Boztepe, 2012). Belz and Peattie (2008) revealed that green marketing stressed on green consumers. These consumers would be eager to pay extra cost for the products that do not harm the environment. There are many consumers who would pay extra premium and decide to purchase green products. But the results of study by Rohit Nema stated that consumers are not willing to pay extra price for green products. The level of willingness exhibited by India consumers is low which suggests that India marketers should make strategies for cutting the cost (Nema, 2011). Perceived product price is one of the factors impacting the consumers' buying behaviour (D'Souza et al., 2007). He further added that hard core environmentalist does not see price before buying the green product and does not let prices determine their buying behaviour. There are studies which show where prices impact the consumer buying behaviour for green products and there are studies which contradict this view point. Unless and until discounts are given and promotions are stressed, prices will remain a hurdle (Gatersleben et al., 2002). Environmentally responsible products, however, are often less expensive when product life cycle costs are taken into consideration Lal B. Suresh, (2011a).

Eriksson, (2004) assumes that consumers are willing to pay an extra premium for a good if it has a low impact on the environment.

In addition, researchers found that there is a negative relationship between higher price and green purchase behaviour, in other words, consumers are less likely to purchase green products if they are more expensive than alternatives (Gan et al., 2008). Furthermore, Essoussi and Linton (2010) conducted a research on recycled products purchase and they found it depends on the type of product for consumers' willingness to pay for a premium price.

The finding of the present study reveals that price dimension of marketing mix in relation to Psychological, social, ethical, economic, moment of Change and demographic influences have favourable but less influence in green buying decisions.

Present study reveals that impact of Green price as one of the elements of marketing mix is moderately positioned whereas impact of economical, ethical, environmental, social, demographic and moment of change related issues have put green buying decisions in good level and contributed to sensitise the demand of green products.

### 12. Major Suggestions for Improvements

Environmental Awareness campaigns need to be conducted for university students to provide information on the importance of green products, benefits of green products and price green products. Government should highlight the importance of green product price awareness campaign in universities as a priority in its agenda. More research and action is required from the perspective of price dimension for sensitisation of the young consumers for green buying decisions.

### 13. Limitations of the Study

Many areas of consumption and production are covered by Green Marketing. This study is involved the consumption of green products used on household basis. This study analyzes marketing of green products, taking into consideration of green buying decision, and this is necessary in order to limit the area of research. In respect of the personal interviews, the sample group in this study is limited to the young consumers between 16 - 30 years old, which only represent a part of the population. Interviewees are limited to an age group that is in between studies as well as in the beginning of their careers. It would be valuable to know if young consumers are actually affected by green marketing (Urzua L. A.2014). Young consumers in this study means young educated people having knowledge and information about products, services and technology.

This study covers the students as the young consumers of urban areas only. The study was restricted to students of 8 universities of capital cities of 8 states of north east India.

### 14. Scope of Future Study

As some other research works, this research also has limitations and, therefore, future research opportunities. Some areas of future research opportunities are listed below:

1. The future research could investigate the relevance other elements of marketing mix like green Product, Green promotion and green Place under multi-disciplinary study on green consumer behaviour.
2. Finally, more generalize results can be obtained in future studies by employing other methodology.

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Annexure 1**Latent Variables used in the study are:**

[1] The degree of influence of 'Green Product': Following items to measure the degree of influence of GREEN PRODUCTS were incorporated in the questionnaire. 1. Reading books on green product 2. Current Fashion for green product 3. Cultural practice of my home 4. Religious practices in green consumer's family 5. Trendy green product 6. Product information 7. Product brand/label 8. Demonstration effect 9. Product feature is portraying about green-initiative of the manufacturer 10. Brand belongs to those which are known for its activities as green- 11. Availability of product which adds to the greening of environment 12. In addition to solving of green consumer's other needs, solution of the problem relating to green 13. Market reputation of the product for its contribution to green sustainability 14. Educative Information advocating for Green initiatives 15. Consumption signals getting involved in green-supporting activities which green consumers Friends and relatives keep on persuading 16. Environment Protection as responsible citizen of the country 17. Fulfilment of Social responsibility towards the future unborn babies of the world 18. Post-consumption of environmental wastes 19. Consumption by jeopardizing the balance of economic externalities in the environment 20. Consumption leading to support the cause of green initiatives of green consumer's other family members 21. Legal advantages from the consumption of green products

[e] 'Degree of Involvement in Green Buying Decision', this included following sub-factors as well as items considered to measure the degree of involvement of the considered sub-factor-

[i] under sub factor Psychology, the items considered are: 1. Green consumer's perception of green values, 2. Belief, 3. Personal norms followed 4. Attitude, 5. As a Person driven motive, 6. Thoughts and feelings, 7. As a customer green consumers Image and mental status, 8. Green consumer's idea on Psychological benefit, desire of knowledge, and novelty seeking,

[ii] under sub factor Environment, the items considered are: 1. Green consumers Pro- Environmental Concern/ Environmental Concern, 2. Green consumers Perceived Environmental Responsibility, 3. Green consumers Concern for Self-Image in Environmental Protection, 4. Green consumers Concern for Environmental Protection, 5. Environmental Regulation known to green consumers 6. Green consumers Awareness of harmful consequences arising due to others action 7. Green consumers Responsibility for changing the offending environmental condition, 8. Transmission of Environmental Values perceived green consumers 9. Concept of quality of life (QOL) understood by green consumers, 10. Green consumers Idea on Acceptability of adopting certain environmental practices 11. Information from expert advices gained by green consumers

[iii] under sub factor Sociology, the items considered were: 1. Social support from the family for new practices, 2. Social values and norms and their interrelation in society as perceived by green consumers 3. Influence of reference social group on green consumers 4. The cultural system of green consumers society 5. Green consumers behaviour as a Rational human being 6. As a Person green consumers perception of the social pressures( subjective norm) 7. As a Consumer green consumers environmental knowledge or "eco-literacy" 8. Green consumers Emotional state 9. Green consumers Self-esteem motive. 10. Green consumer's Positive self-image incongruity 11. Social dynamic as seen by green consumers 12. Influence of Religion on green consumers 13. Influence of customs and traditions on green consumers 14. Influence of Social Media/ Social Network on green consumers 15. Influence of Information Technology on green consumers 16. Influence of Family groups on green consumers

[iv] Under sub factor Ethics, the items considered were: 1. Subjective norms on others as perceived by green consumers 2. Green consumers Perceived notion on behavioural control 3. Human rights practices on green consumers 4. Green consumer's Ethical concerns as consumer

[v] under sub factor Economics the items considered were: 1. Green consumers Current level of net income 2. Green consumer's propensity to consume something uncommon 3. Influence on Advertisement on green consumers 4. Influence of Packaging on green consumers 5. Premium price charged from green consumers 6. Environmental Labels seen by green consumers

[vi] under sub factor Moment of Change the items considered were: 1. Green consumer's idea of Rational choice, 2. Conflict and power struggle of green consumer's society, 3. Process of change of green consumer's society, 4. Green consumer's idea of Individuals as agents of change, 5. Green consumer's knowledge of Sustainable technologies

[vii] under sub factor Demography the items considered were : 1. Green consumers Age, 2. Green consumers Income, 3. Green consumers Gender, 4. Green consumers Employment/Occupation, 5. Green consumers Social Class, 6. Green consumers Level of Education, 7. Green consumers Family Size, 8. Green consumers Marital status 9. Green consumers Family life cycle, 10. Geographics of green consumers locality, 11. Location of green consumers nearest market, 12. Urbanization of green consumers locality, 13. Influence of Tourist in green consumers area