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## Clustering of Green Consumers in Bangladesh: Unfolding the Educated Adults

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### **Abstract:**

*The world is concern about the pollution and negative consequences of climate change over the environment. As a result, some concepts like –green products, green consumer, green marketing are being focused. Marketers are trying to make consumers educated about the green products and their functional & financial benefits. In this paper, we have tried to identify the different segments of educated adult green consumers of Bangladesh and develop their demographic profiles along with an understanding of their standpoints on green products & green marketing based on the opinions of 300 educated adults. Male and female both types of educated adults have participated in this study and gave their opinions about green products and green marketing practice. The major issues the study has brought in light are that the consumers like green marketing but not at the cost of the value of the products and most of them have not ready yet to tolerate any price hike arise by adopting green marketing policy. This study may guide the marketers who have already adopted or planned to adopt green marketing policy to understand the consumers' perceptions and behavior about green products and green marketing policy and it can be a way forward for further intensive study on the effectiveness and efficiency of green marketing practices in Bangladesh.*

**Keywords:** Green product, Green Consumer, Green marketing, Segments, Educated adults

### **1. Introduction**

As the industrialization increases, contamination of environment is also amplified. Now, the environment starts reacting harshly to all these disparities done by human. Therefore, Green marketing is becoming a very significant concern to the business of this new era. Some concepts like "Green marketing", "Green consumers", "Green Products", "Eco-friendly products", etc. are coming in to spotlight. According to Coddington (1993), green marketing refers to the business practice, which considers preservation and conservation of the natural environment in accordance with consumers' concern. According to Shabani, Ashoori, Taghinejad, Beyrami & Fekri (2013), green product, green price and green place are the key elements of Green Marketing Mix. Usually green product refers to products that are environment friendly. According to Weber (1991), products claim to be environmentally friendly and biodegradable can be considered as green products.

In general, it can be said that, green consumers are consumers who prefer green products & support green marketing. Green consumers usually focus on not only their rational benefit but also long term & sustainable benefit of their health, society & environment. Sandu (2014) thinks that, individuals are got engaged in more complex decision-making process, when they get more involved in considering the adoption of sustainable lifestyles. Therefore, green consumers decision making process become more complex. Now the fact is that different levels of green consumers are available in the market place. Moreover, the educated adult consumers, who are acknowledged as the most sensible category of people in a developing country like Bangladesh cannot be tagged in one single segment when the issue of green marketing appears. It is found that people possess' different demographic profiles value different feature & benefits while purchasing green products.

### **2. Objectives**

- To identify different segments of the educated adults based on their green product perception.
- To explore the demographic profiles of the green consumers.
- To prescribe suggestions for green marketers to develop strategies while targeting different segments.

### 3. Literature Review

Marketing is all about satisfying consumers' need in the most effective & efficient manner. Modern marketers focus on consumers' long term & sustainable wellbeing rather than their instant demand fulfillment. Now-a-days, most of the marketers practice holistic marketing concept. According to Kotler & Keller (2008, p. 21), Environment is one of the elements of performance marketing which is one of the broad components that portraying holistic marketing concept. Therefore, holistic marketing concept supports green marketing. According to Polonsky (1994, p.4), "Green or environmental marketing consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs with minimal detrimental impact on the natural environment". Usually green marketing creates appeal to green consumers or eco-friendly consumers. Sandu (2014) thinks, "Consumers, who have the perception that man's relationship with nature is important and it should be equilibrium between each other, make ecologically correct decisions about the products they buy."

Ryan (2006) said that though not all green consumers are the same but International Institute for Sustainable Development (IISD) has described some of their common attitudes and beliefs for better understanding. Such as, commitment to green lifestyles, seriousness about their own environmental practices and impact, looking for companies that incorporate green practices, tend to overstate their green behavior, want easiness in environmental protection, tend to distrust companies' environmental claims and may have lack knowledge about environmental issues but eager to learn.

However, most of the modern consumers are concern about the environment but not many of them are yet ready to compromise any rational benefit of the product. According to Shabani, Ashoori, Taghinejad, Beyrami & Fekri (2013), most consumers are not yet ready to give up the key characteristics of a product like ease of use, availability, price, quality and efficiency for green features of that product. For these reasons, many companies start adopting green washing. According to Banerjee (2016), Green washing refers to adopt green acts externally with an underlying purpose of increasing profit. Green washing mislead consumers by giving the feeling that company is taking significant steps for environmental well-being though in reality they may do very little.

To satisfy all types of consumers with environmental concern, at first, the different segments of green consumers should be identified. According to Kotler & Armstrong (2008, p.48) "Market segment refers consumers who respond in a similar way to a given set of marketing efforts" According to Rogers (2011), NMI's green consumer segmentation is a very helpful framework, which provides deep insight by identifying five unique green consumer groups based on attitudes and behaviors. This grouping remains highly predictive across industries and countries. NMI (Natural Marketing Institute), a leading business consultant and marketing research firm has classified the green consumers in five categories like LOHAS (Lifestyle of health and sustainability), Naturalites, Conventionals, Drifters and Unconcerned. People very progressive on environment and society, looking for ways to do more for wellbeing of environment and not that much concerned about the price are concerned as LOHAS. People with major focus on personal health and users of many natural products with concern about environment are considered as naturalites. Practical people with concern of rational benefit of eco-friendly product are considered as conventional. People who are not too much concerned about the environment or buying green products, though may like to be seen as green consumer to enhance their image are considered as drifters. People who have other priorities and are not aware or interested in green product and environment are considered as unconcerned. Ginsberg and Bloom (2004) have also divided green consumers into 5 categories based on environmentally friendly behavior. Green consumers having strong environmental values and intensive desire to participate in activities and organizations supporting the environment are known as true blue green consumers. Green consumers who show their interest to buy green products but not interested as true-blue green to join organizations supporting environment are known as green back greens. Consumers who are concerned about the environment but less willing to pay extra-price for green products are known as sprouts. Consumers have very low level of Environmental knowledge & believe that green products are less efficient & lower quality products and the manufacturers' claims about these products is only to increase sales are known as grouzers. Consumers who have other priorities in life and ignore the environmental problems are known as Basic Browns.

### 4. Methodology

This research is mainly conducted in descriptive manner. Secondary & primary both sources of data have been used in this study. Previous research reports, articles, news, books, other published documents, websites, etc. have been used as secondary sources. Primary data has been collected from the educated adult consumers of Bangladesh by administering survey. According to Suri (2015), "Universities turn us into educated citizens." According to The Majority Act (1875), "Every other person domiciled in Bangladesh shall be deemed to have attained his majority when he shall have completed his age of eighteen years and not before." Therefore, in this study, people attained minimum undergrad level of education and at least aged more than 18 years had considered as target population. In this study 300 respondent were interviewed through structured questionnaire where 150 were male and 150 were female for giving the equal emphasis on gender. Respondent have been selected by using judgmental Sampling technique in accordance with convenience sampling technique. For analysis, descriptive statistics like mean & percentile were mainly used. The main limitation of this study was to track the underlying response from all the respondents. To diminish this lapse, tools like repeat response and counter inquiry were adopted in some cases for increasing the reliability.

**5. Findings**

In this research, data were collected from 300 educated adult green consumers of Bangladesh. All of them are aged more than 18 and have minimum undergrad level of education. They were selected because usually these types of people are accredited as the knowledgeable & conscious group of consumers in our society. For segmenting these consumers, two approaches have been adopted. One is NMI's green consumer segmentation & another one is Ginsberg and Bloom's green consumers segmentation based on environmentally friendly behavior.

*5.1. Bangladeshi Educated Adults' Segments by using NMI's Approach*

All respondents' concerns were taken on all the bases related to all five categories (LOHAS, Naturalites, Conventionals, Drifters and Unconcerned) established by NMI. The bases associated with different categories are portrayed in Figure 1.

LOHAS	Naturalites	Conventionals	Drifters	Unconcerned
<ul style="list-style-type: none"> <li>• Progressive effort to environment</li> <li>• Prefer recycle materials</li> <li>• Least price sensitive</li> </ul>	<ul style="list-style-type: none"> <li>• Focus on personal health</li> <li>• Prefer organic products</li> <li>• Trying to behave more sensitively to environment friendly</li> </ul>	<ul style="list-style-type: none"> <li>• Evaluate product on rational benefit</li> <li>• Prefer green product without compromising quality &amp; price</li> <li>• Prefer green product with rational benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Not too concerned about environment</li> <li>• Not that much consider the organic fact</li> <li>• Take part activities to enhance image</li> </ul>	<ul style="list-style-type: none"> <li>• Unaware of green product concept</li> <li>• Not interested in green product</li> <li>• Have other priorities</li> </ul>

Figure 1: Segments of green consumers (NMI's approach)

Mean value of the bases associated with each segments have been calculated and finally, each respondents were assigned to the segment that holding the highest mean value.

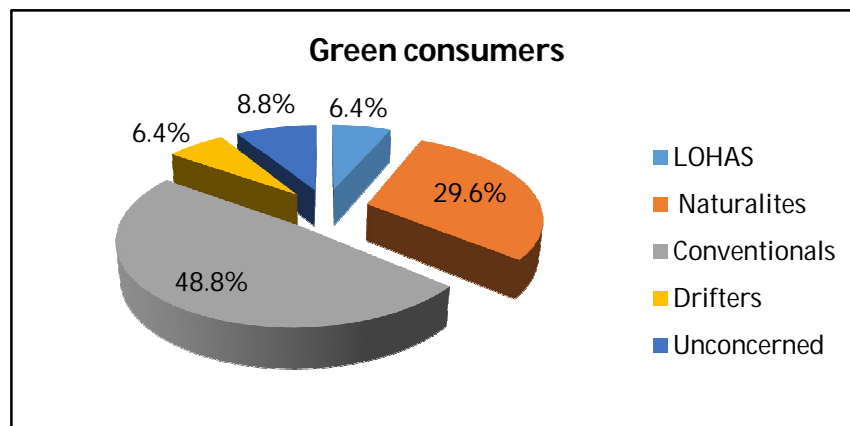


Figure 2: Segments of green consumers (NMI's approach)

According to figure 2, from all 300 respondents most of them have identified as Conventional (48.80%), then Naturalites (29.60%), then Unconcerned (8.80%) and then the least were in LOHAS (6.4%) & Drifters (6.4%)

*5.2. Demographic Profiles of Green Consumers Identified in NMI's Approach*

Percentage analysis of age, gender & academic qualification of all segments are given below.

LOHAS (Lifestyle of Health and Sustainability)					
Gender		Academic Qualification		Age	
				18-25	78%
Male	67%	(Undergrad)	67%	26-30	-
		(Graduate)	22%	31-35	11%
Female	33%	(Post Graduate Professionals)	11%	36-40	-
				40+	11%

Table 1: Demographic profiles of LOHAS ((Lifestyle of health and sustainability)

According to Table 1, maximum LOHAS are male (67%) & undergraduate (67%) and aged between 18 to 25 (78%). 26 - 30 & 36-40, are two age groups which consisting of no LOHAS.

Naturalites					
Gender		Academic Qualification		Age	
				18-25	63%
Male	33%	(Undergrad)	65%	26-30	29%
		(Graduate)	23%	31-35	-
Female	67%	(Post Graduate Professionals)	12%	36-40	4%
				40+	4%

Table 2: Demographic profiles of Naturalites

According to Table 2, maximum Naturalites are female (67%) & undergraduate (65%) and aged between 18 to 25 (78%). There are no naturalites in the age group of 31-35.

Conventionals					
Gender		Academic Qualification		Age	
				18-25	55%
Male	53%	(Undergrad)	64%	26-30	36%
		(Graduate)	32%	31-35	8%
Female	47%	(Post Graduate Professionals)	4%	36-40	-
				40+	1%

Table 3: Demographic profiles of Conventionals

According to Table 3, conventionals are in the most crowded group with 53% male & 47% female and 64% undergraduate & 32% graduate. Almost all of the conventional are bellow age of 36.

Drifters					
Gender		Academic Qualification		Age	
				18-25	56%
Male	67%	(Undergrad)	44%	26-30	44%
		(Graduate)	56%	31-35	-
Female	33%	(Post Graduate Professionals)	-	36-40	-
				40+	-

Table 4: Demographic profiles of Drifters

According to Table 4, maximum drifters are male (67%). All of the drifters are undergraduate or graduate and aged bellow 31.

Unconcerned					
Gender		Academic Qualification		Age	
				18-25	91%
Male	73%	(Undergrad)	100%	26-30	9%
		(Graduate)	-	31-35	-
Female	27%	(Post Graduate Professionals)	-	36-40	-
				40+	-

Table 5: Demographic profiles of Unconcerned

According to Table 5, all unconcerned consumers are undergrad and 91% of them are aged between 18 to 25. After observing all these information, it can be easily said that females are tend to be more environment friendly consumers than males though maximum LOHAS are males. As the level of education increases, the concern about environment also increases. Elder people take more environmentally sensible decision than the younger people do.

### 5.3. Bangladeshi Educated Adults' Segments in Ginsberg and Bloom's Grouping

All respondents concerns were taken on all the bases related to all five categories (*True blue green, Green Back Green, Sprouts, Grouser and Basic Browns*) given by Ginsberg & Bloom's. The bases associated with different categories are portrayed in Figure 3.

True Blue Green	Green Back Greens	Sprouts	Grouzers	Basic Browns
<ul style="list-style-type: none"> <li>• Strong environmental values</li> <li>• Extremely concerned about environment</li> <li>• Strongly recommend recycled materials</li> </ul>	<ul style="list-style-type: none"> <li>• Trying to behave more sensitively to environment friendly</li> </ul>	<ul style="list-style-type: none"> <li>• Trying to behave more sensitively to environment</li> <li>• Prefer green product without compromising price</li> </ul>	<ul style="list-style-type: none"> <li>• low knowledge of green concept</li> <li>• Not that much consider the green fact while purchasing</li> </ul>	<ul style="list-style-type: none"> <li>• Ignore green product</li> <li>• Have other priorities</li> </ul>

Figure 3: Segments of green consumers (Ginsberg & Bloom's grouping)

Mean value of the bases associated with each segments have been calculated and finally, each respondents were consigned to the segment that holding the highest mean value.

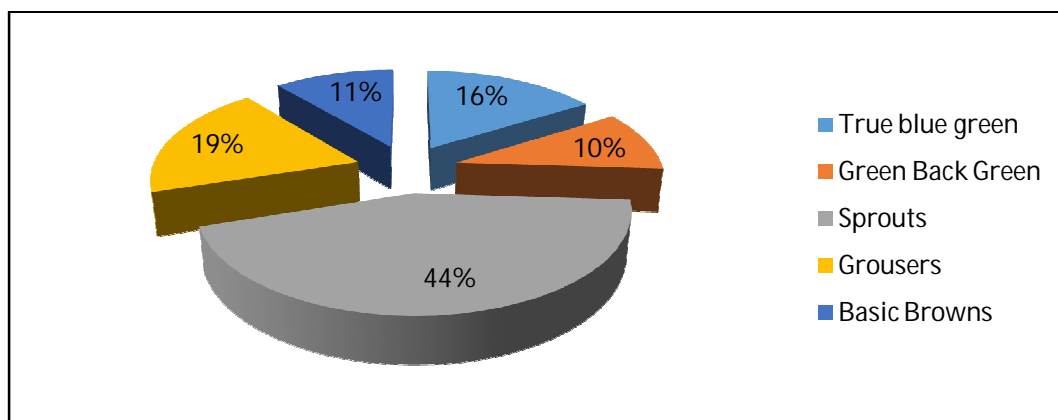


Figure 4: Segments of green consumers (Ginsberg & Bloom's bases)

According to figure 4, most of the respondents have identified as Sprouts (44%), then Grouzers (19%), and then True Blue green (16%), and then Basic Browns (11%) and then Green Back Green (10%).

5.4. Demographic Profiles of Green Consumers Identified in Ginsberg & Bloom's Grouping

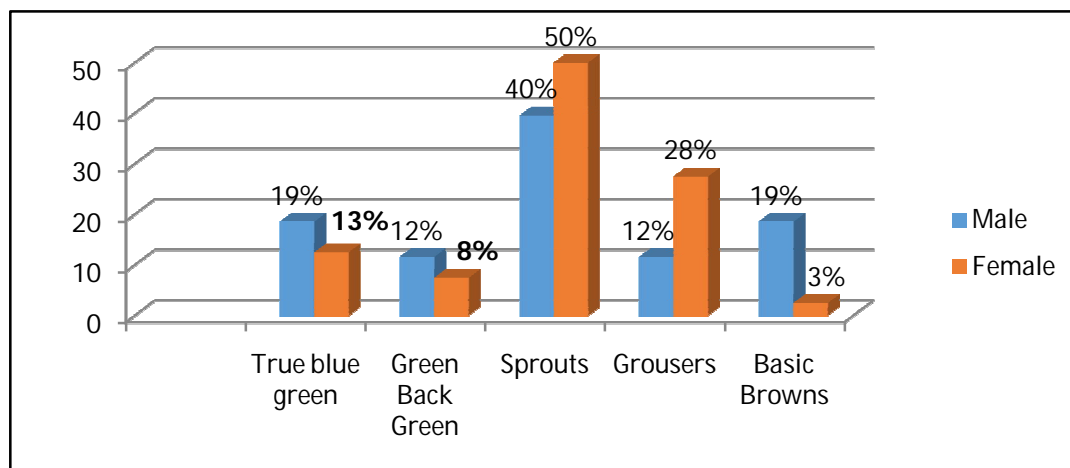


Figure 5: Gender Split of green consumers in different segment (Ginsberg & Bloom's bases)

According to figure 5, it can be said that most of the female consumers are identified as sprouts (50%), Grouzers (28%) & True blue green (13%), whereas, most of the male consumers are identified as sprouts (40%), True blue green (19%) & Basic Browns (19%).

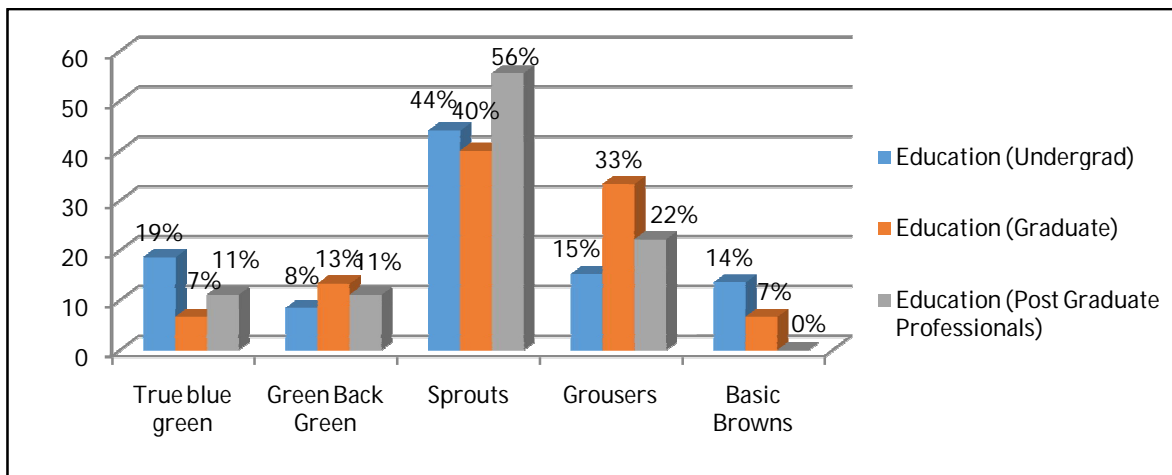


Figure 6: Academic Qualifications of green consumers in different segment (Ginsberg & Bloom's bases)

According to figure 6, it can be said that there are no postgraduate professionals in basic brown group. Undergrad (44%) & postgraduate professionals (56%) are identified as sprouts more than graduates (40%) are. Some graduates are identified as grouzers (33%). Basic brown group is mostly consisting of undergrads (14%).

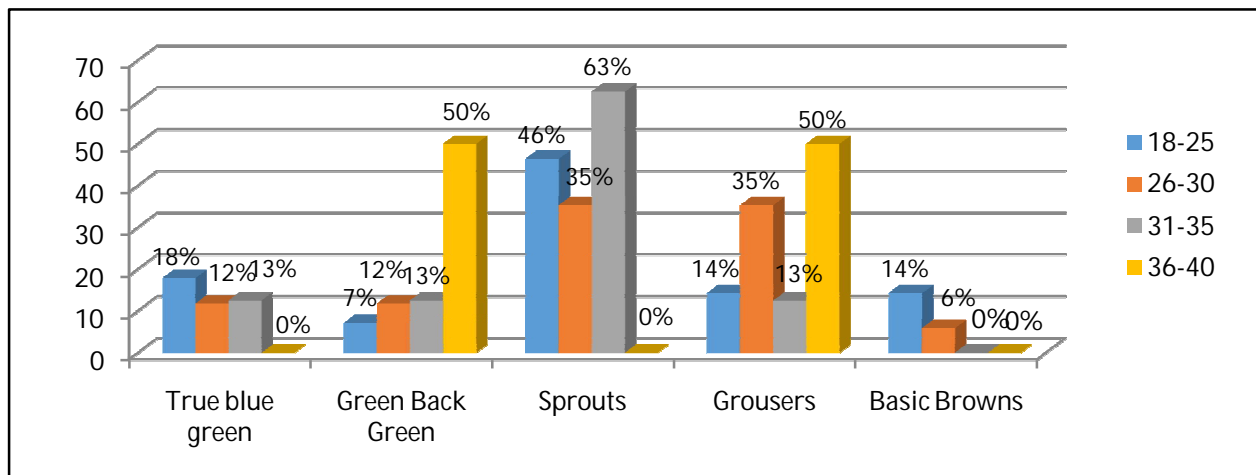


Figure 7: Age splits of green consumers in different segment (Ginsberg & Bloom's bases)

According to figure 7, most of the consumers aged from 18 to 25 are sprouts (46%) whereas, most of the consumers aged from 26 to 30 are sprouts (35%) & Grouzers (35%). Maximum consumers aged from 31 to 35 are also sprouts (63%). All of the consumers of 36 to 40 are Green Back Green (50%) & Grouzers (50%). All of the Basic Browns are aged from 18 to 30.

5.5. Comparison of NMI's Approach & Ginsberg & Bloom's Grouping

NMI's Green consumers	LOHAS	Naturalities	Conventional	Drifters	Unconcerned
Ginsberg & Bloom's Green consumers					
True blue green	62%	38%	-	-	-
Green Back Green	-	63%	37%	-	-
Sprouts	-	43%	57%	-	-
Grouzers	-	-	53%	35%	12%
Basic Browns	-	-	-	25%	75%

Table 6: Age splits of green consumers in different segment (Ginsberg & Bloom's bases)

According to table 6, 62% of the true blue green consumers are also identified as LOHAS (62%). 63% of Green Back Greens are identified as Naturalities (63%). 57% of Conventionals and 43% of Naturalities are identified as Sprouts. 35% of Grouzers are identified as drifters as well. Most of the Basic Browns are identified as Unconcerned (75%).

After dividing all the consumers in to different segments based on two grouping approach & analyzing all segments, some points have spotted out. Most consumers were found in conventional segment in NMI's approach and Sprout group in

Ginsberg & Bloom's Grouping. Both of these segments represent the people who are practical & rational and have concern about environment but are not at all willing to compromise price or/and quality for green product. In unconcerned & basic brown group, there is no consumer above 30. Therefore, it can be said that, elder consumers are more concerned about environment and will appreciate green marketing & green product more than younger people. There is no postgraduate professional, who is identified as unconcerned or basic brown. That means people with higher education are tend to be more concern about environment & will be more positive to green marketing and green product.

## 6. Conclusions

Green shoppers are increasing but still Green products and services are in niche market stage. Bonini & Oppenheim (2008) refers that, according to the *Nutrition Business Journal*, consumers buy organic foods more for their own health than for environment. Green issues are more technical, complex and dynamic. Consumers are confused about buying green product with good reason. Businesses have failed to create green products with justified value that can meet consumers' needs. Business should help consumers to change their perception about green product for cultivating the true potential of the green market. Organization should educate the consumers about the actual & sustainable benefit of green product & marketing so that rational & practical consumers who are the largest segment of the market can appreciate the green product & green marketing. Business can involve customers in different cause marketing by focusing on larger issues of pollution, climate change and other environmental problems. We cannot ignore the unconcerned (8.8%) and Basic brown (11%) segments, as, in spite of selecting the most concerned group of respondents, still there are people who are unaware or indifferent about green product.

Whether the consumers are eco-aware or not, they want to know how a product can benefit them personally. Companies must make the consumers understand about the financial and environmental return of green product. Maximum consumers will appreciate green products if the prices remain same as regular product. If the price is high, consumers' perceived benefits of green goods seem to be small to them. Marketers need to make green products more available, because, only a few customers are ready to give extra effort for obtaining green products.

Application of "Going Green" concept is not only limited to customers in purchasing environment friendly product but also for Business' in building credibility and commitment towards environment by providing Eco-friendly products and by educating their consumers about green product. Business with the collaboration of Government agencies, different NGO's, non-profit global groups, media should work to support environmental causes and facilitate green education.

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