A Study on Consumer’s Perception on Green Home Appliances

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Abstract

A household is the building block of the society and home appliances are the main power consumers in a household. Hence, they are the best means to save energy at a household level and achieve a reduction in per capita power consumption. If the household units save energy, the nation saves the energy and thereby the ideal place to initiate the green change at the consumer level is through the home appliances sector. Appliances more than 10 years old are clunkers as they use up most of the energy. If consumers replace them with energy efficient appliances, it will not only save billions of kilowatts of energy annually but also billions of tonnes of carbon emissions globally. Most of the home appliances have a longer life. Hence its medium to long term benefits should be weighed while making a purchase decision.

“Despite various green initiatives and a vibrant consumer electronics market, consumer adoption of green home appliances is still lagging behind contributing to the high-power consumption and monetary loss to the individual and the country. The study made an attempt to understand consumer understanding, perceptions and acceptance of Green Home Appliances.

Introduction

“Green” has been the buzz word ever since the issues such as climatic change, pollution, and resource scarcity started garnering attention and concern at global meets. These issues surfaced as a result of the slackened human attitude towards the environment and started manifesting in different forms creating alarm and an overwhelming surge in concern across the globe. Governments, environmentalists, social activists and researchers started advocating the need for pro-environmental behaviour and corrective action to combat the ill effects caused due to negligent and nonchalant approach towards the environment. High energy consumption, higher ecological foot printing and rising carbon emissions have taken a toll on the energy reserves and environment. It has presented us with this perplexing question that while we think of leaving behind us wealth for the next generations, are we leaving behind a planet capable of sustaining and supporting life for the future generations. There are many factors which have led to the dire status we are in. The easy availability
of non-renewable resources, lack of awareness, lack of strong regulatory framework all were contributory forces which led to the negligence towards the environment.

**Definitions**

**Green Marketing**

According to Henion and Kinnear; [95] Green Marketing is the implementation of marketing programs directed at the environmentally conscious market segment. According to Fuller[96], Green Marketing is the process of planning, implementing and controlling the development, pricing, promotion and distribution of products in a manner that satisfies the following three criteria: customers’ needs are met, organizational goals are attained and the process is compatible with the ecosystems. Green marketing, also referred as sustainable marketing or environmental marketing is designing, promoting, pricing and distributing products and services according to the customers’ want and need, with minimal detrimental impact on the natural environment (Grant, 2008; Jain and Kaur, 2004; Kangis, 1992; Pride and Ferrell, 2008)

**Green Consumer**

The growth of Green Marketing led to the evolution of Green consumer. ‘A Green Consumer can be identified to be one who avoids any product which may harm, damage any living organism cause deterioration of the environment during process of manufacturing or during process of usage, consume a large amount of non-renewable energy, involves unethical testing on animals or human subjects.’

**Green Product**

A green product is a term that describes a product that protects the environment and replaces artificial ingredients with natural ones. Green products are less harmful to human health and they conserve energy.

**Green Home Appliance:** Home appliances which have lesser annual operating cost due to their energy saving features are categorized as green home appliances. GHA include big home appliances (also called as white goods like Refrigerators, AC’s, Dishwashers and Washing Machines) that are large and consume substantial electricity and having an active usage life of over 10 years marketed as green with energy-saving benefits.

**Objective of the Study**

1. To determine the awareness level of green home appliances among the Consumers
2. To determine the preference for green home appliances among the Consumers
3. To determine the extent of consumer willingness to pay for green home appliances across demographic variables

**Scope of the Study**

The scope of the study is to determine the awareness, preference and willingness to pay (premium) for green home appliances among consumers in Bangalore North. The scope of the study is limited to only major white goods which are big in size and consume a major chunk of electricity in a common household like air conditioners, refrigerators, dishwashers, washing machines and televisions.
Research Methodology
The study collected information from 121 respondents although it was sent to 200 respondents. The questionnaire was used to collect information from the respondents. The study just employed tabulation, and Chi-square to analyse the data.

Analysis and Discussion
Demographic Profiling was done across the following parameters: age group, gender, education, monthly income, marital status and nationality. It was found that the sample was slightly over-represented by the male population at 59%. 33% belonged to the 26 yrs. to 35 yrs. group and 49% were Graduate / diploma holders at 49%. 38% of respondents had monthly income less than 10,00,000 Rupees. 69% were married.

Environmental Concern: 66% of the sample were concerned about Environmental issues (like Energy conservation, Carbon emissions, climatic change, resource scarcity, Global warming). 24% of the sample expressed high concern over the environmental issues while 42% expressed moderate concern.

- 59% of the responded to have heard about GHA. 71% of the responded could recollect energy saving appliances 5% of the responded reported to have heard about avoid using appliances between 12 noon to 4 pm
- 58% of the responded stated that green appliances save the energy, 15% of the responded reported green appliances save the money
- 59% of the responded would recollect ISO mark, 30% of the responded could recollect green mark for green home appliances
- 58% of the responded state they look for green features when a buy home appliance among responded who reported that they don’t green features the main reason stated 31% of the responded was being expensive, 43% of the responded reported that power saving feature is the most important features they look for in the category
- The preference rating of product attributes on a three-point Likert scale showed that Price was rated by 71% of the respondents as ‘most important’ criteria followed by Durability at 60% and features and utility at 58%. 44% of the respondents considered ‘Utility’ to be the least important feature while making a home appliance purchase
- ‘Being Expensive’ and ‘Not Convinced with the green claims’ reported by 31% and 22% of the respondents respectively were found to be the main constraints limiting preference towards GHA.

Only 46% of the respondents stated they were willing to pay a premium for GHA

Willingness to pay premium Price is summarised as

- Less than 5% - 43%
- 5 to 10% - 36%
- Above 10% - 21%

- When asked whether enough information was available on GHA, 49% replied affirmatively while more than half of the sample were of the opinion that enough information on GHA was not available. 26% of the respondents remarked that the green campaigns have made them more knowledgeable while 22% remarked that these campaigns have prompted them to seek more information on GHA

Conclusion
Environmental concern was observed to be higher as more than 60% of the respondents reported to have high concern on Environmental issues. Around 60% of the respondents were able to
recollect some green campaigns. The study revealed moderate level of awareness and preference for GHA. More than 50% of the respondents reported awareness and preference for GHA. It was observed that there was lesser willingness to pay (premium) as only around 45% of respondents were only willing to pay (premium) and the extent of premium willing to be paid was also found to be very low.

Credibility on green products and visible product distinction features that highlight power saving benefits were the most commonly suggested recommendation to make GHA more appealing.

References