

Employees' Perception towards Green Marketing Practices in Pharmaceutical Sector

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ABSTRACT

Green marketing as a concept is a buzz-phrase during current years in different organizations focused on alerting customers environmentally and/or began reacting towards increase in likelihood of sticking towards environmental rules. Environmentalism is recognized as a potential by major businesses Consumers are not concerned about environment and they are now buying products which are oriented towards greenery. Their orientation towards environment has increased. Consumers are pretending to be environmentalists. This study based on the awareness level among the respondents who are currently associated with different pharmaceutical companies. The main aim of this study is based on investigation of green marketing practices which are being followed by selected pharmaceutical companies. This study is descriptive in nature. In all a sample of 20 such employees have been considered in this study who are employed with pharmaceutical companies. This study is based on primary data and the data has been collected through a structured questionnaire which is based on demographic profile, awareness about green marketing strategies, their implementation and the impact which they have on the benefits which could be derived from the implement of such practices. There is a significant impact of green marketing practices on benefits derived by selected Pharmaceutical companies. The green marketing practices are beneficial for increasing the revenue of the pharmaceutical companies. The green marketing practices should be practiced by the pharmaceutical companies so that their operations, demand of their products should increase.

Keywords: Green marketing, Environment, Green product, Green costing, Green promotion and green distribution.

INTRODUCTION

In recent past, knowledge about environmental degradation has increased which was being faced by current generations and of future too. Attention has improved towards environment by the pharmaceutical companies. Environmentalism is recognized as a potential by major businesses Consumers are not concerned about environment and they are now buying products which are oriented towards greenery. Their orientation towards environment has increased. Consumers are pretending to be environmentalists. It is quite astonishing, that there are many pharmaceutical companies which are now making an attempt towards taking advantage of public interest since they are having concern towards greenery and the companies are also positioning themselves as organizations which are environmentally accountable. It is quite unfortunate the obligation towards environment have become quite obvious instead of following environmental friendly strategies in their authentic practices. Green marketing as a concept is a buzz-phrase during current years in different organizations focused on alerting customers environmentally and/or began reacting towards increase in likelihood of sticking towards environmental rules.

The Concept of Green Marketing

Green marketing can be referred to organization's lab our to design, promote, distribution and pricing of products which would not damage environment. The companies which are following green marketing practices have a unique way of implementation of such green marketing strategies. This considers matters like development of contributions which could conserve energy, natural resources while being used in manufacturing process, forming of advertisements and various promotional messages which precisely imitates company's commitment towards environment. Setting of cost of various green products which could balance sensitivity among consumers for pricing against enthusiasm for paying

more towards environmental protection, this would decrease conserving resources and pollutants while transporting products in market and other such green marketing decisions. It is quite evident that many troubles have effected development in mainstream of marketing have destroyed progress related to green marketing.

Pharmaceutical Industry in India

In India, the Pharmaceutical industry underwent many changes after liberalization during 1990s. There are many pharmaceutical companies which have entered the market either through direct investment or as franchise holders. There is a different range of products which have been introduced and been categorized as medication which is prescription based or the other which is non-prescription based. There are limited number of doctors and pharmacists per 100000 people. The main target sector for pharmaceutical industry constitute doctors who prescribe ultimately medicines to final customers or patients. The other market which is increasing nowadays are pharmacist who play an important role in convincing the doctors who alter medication as prescribes by the doctors. Patients play an important role in influencing doctor's prescription through taking into consideration few brands based on supposed origin or efficiency. Since direct marketing is not permissible for various prescribed drugs, rather it is said to be illegal, hence patients are now asserting more towards the medication being prescribed by doctors and pharmacists mainly in the private healthcare sector where patients are paying straight for services and medications. This industry is mainly consists of retailers, manufacturers and retailers. They all are playing a very important role towards helping health sector of our country.

The Challenges of Green Marketing

There are many challenges which have arisen in green marketing because of consumers, company and government. Government has introduced so many regulations which discourages green marketing. The government could encourage buying of any green products through incentives like grants and incentives to install technology which is energy efficient or by leading example of green products. The pharmaceutical companies which are not much aware of being energy compliant. There are some companies which do not follow green manufacturing standards, green products and packages, lessen waste, focus on recycle products and save energy. Innovation could be activated through designing of environment values in a proper way which could reduce overall products cost and improvement in value. Some companies in pharmaceutical companies are quite sensitive in corporate atmosphere, company commitment and individual commitment towards sustainability.

Green Marketing Strategies

Marketing based on green products and green firms develop both on social marketing and societal study. Societal marketing implied that various organizations are needed for knowing focused markets and bringing preferred satisfaction in different ways for improving society's and consumer's good being. Social marketing has a market for implementing and calculating programs which add to adequacy of causes, carry out and social plan in various target groups. Usually, the marketers have a target focusing on needs of people for marketing and designing products for giving out best desires. Approach is focused on observations. Mainly when individuals get inspired by promises which products make for fulfillment of demands which are acceptable. Secondly, the individual attributes are noteworthy externalities which could be negative or positive and indicates divergence between private and public cost and benefits.

REVIEW OF LITERATURE

The rationale for focusing on consumer's side of green marketing, each customer takes the decision while purchasing a product, their purchase might be affected sustainable consumption. Consumers have considered adopting sustainable consumption such as adopting green products can be considered as a complex task, which requires making tradeoff between environmental concern and practical functionality. [Young et al. (2010)].The consumer behaviour which is conventional in nature advocates proactive marketers should focus on consumer's needs instead of just thinking about business. Fromview point of social marketing, the marketers should make the consumers aware regarding the issues which focus on welfare during long term [Schiffman et al.(2000)]. Hence, consumers are considered to be focal point in green/ environmental marketing. The previous literature view point indicates that the consumers focus in green marketing and also on consumerism, which is considered to be an important area under study. As per Milfont and Duckitt (2004), environment concerns have been defined in the form of uni-dimensional factors which ranges from factors which are not concerned with environment at a lower end for high concerned, which has been measured through environmental paradigm. Schultz et.al. (2000) explained different factors point wise and detail regarding concern with environmental factors such as egoistic, altruism and biospheric. Kalafatis et al. (1999) reports that environmental concern resulted in increase in intention based on green purchase. Consumers having higher level of concern would exhibit behaviour which is environmental friendly. Thus, studies by Mostafa (2006); Lee (2010), have pointed out significantly positive relation of environmental behaviour with environmental concern. This concern has shown by the consumers in India and their effect on green purchase behaviour are meager.

STATEMENT OF THE PROBLEM

The pharmaceutical industry in India can be characterized through various changes and an environment which is increasingly unstable. Competitive forces have a specific pattern like novel entrants, competition strength, alternate products and buyer and supplier power has altered environment which has created firms' requirements for modification of competitive various positions and accepting green marketing strategy. There are many researchers which have studied position of various industries mainly accordance towards change in environmental and economic situation in particular after global warming and environmental deprivation. It was found that the modified environment has affected business strategies and firms have become competitive and proactive. Previous studies have focused strategic responses and strategic alliances in pharmaceutical industry. Green marketing practices have been discussed before but they have not been focused mainly in pharmaceutical manufacturing firms in Jabalpur. This study based on the awareness level among the respondents who are currently associated with different pharmaceutical companies. The main aim of this study is based on investigation of green marketing practices which are being followed by selected pharmaceutical companies.

Objectives of the Study

- To estimate the awareness level among employees of Pharmaceutical companies towards green marketing practices
- To understand the green marketing practices been implemented by Pharmaceutical companies
- To evaluate the benefits Pharmaceutical companies have derived through implementation of environment friendly practices

5. Hypothesis

H₀₁ – There is no significant impact of green marketing practices on benefits derived by selected Pharmaceutical companies

H_{a1} – There is a significant impact of green marketing practices on benefits derived by selected Pharmaceutical companies

Significance of the Study

This study is focused on finding out the awareness level about green marketing strategies among employees of pharmaceutical companies and also whether they understand about implementation of green marketing practices and understand about the impact which these practices have on pharmaceutical companies where benefits derived through such strategies have been analyzed. Implementation of green marketing strategies is important as different players of this industry sometimes make the customers aware about the green marketing practices being followed by pharmaceutical companies and this encourages them to purchase medicines from those companies who are concerned about the environment. This indicates their concern towards the society and the way they are fulfilling their responsibilities towards the environment.

RESEARCH METHODOLOGY

This study is descriptive in nature, wherein the characteristics of respondents who are working at different positions in the organization like production manager, marketing manager, Area sales manager, Chief chemist, quality control managers etc. have been understood towards green marketing practices which have been followed in the pharmaceutical companies which exist in Jabalpur. In all a sample of 20 such employees have been considered in this study who are employed with pharmaceutical companies. This study is based on primary data and the data has been collected through a structured questionnaire which is based on demographic profile, awareness about green marketing strategies, their implementation and the impact which they have on the benefits which could be derived from the implement of such practices. Further the collected data has been analyzed through frequency and percentage. Hypothesis has been tested through Regression which is applied by SPSS 20.

DATA ANALYSIS

Position of the respondents

Position					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Director/ Owner	2	10	10	10

Area Sales Manager	2	10	10	20
Chief Chemist	1	5	5	25
Production Manager	6	30	30	55
Marketing Manager	5	25	25	80
Quality Control Manager	4	20	20	100
Total	20	100	100	

In this study, employees of different Pharmaceutical companies have been interviewed. Majority employees are working as Production Manager i.e. 30%, followed by marketing managers i.e. 25%, Quality control managers i.e. 20%, Director/ Owner 10%, Area Sales Manager i.e. 10% and remaining 5% are working as Chief Chemist. The view about green marketing practices has been considered from employees holding a different position. Area Sales Manager, Marketing Manager and the Director/ Owner are directly associated with framing the marketing strategies. The others are indirectly associated with green marketing practices. This study has considered employees working at different levels in Pharmaceutical companies so as to get 360 degree view.

Work experience of respondents in Pharmaceutical industry

Work experience in Pharmaceutical industry					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0 - 10 years	5	25.0	25.0	25.0
	11 - 20 years	7	35.0	35.0	60.0
	21 - 30 years	7	35.0	35.0	95.0
	More than 30 years	1	5.0	5.0	100.0
	Total	20	100.0	100.0	

There are four categories considered in this study about the work experience i.e. 0 – 10 years, 11 – 20 years, 21 – 30 years and more than 30 years. Majority respondents are having work experience of 11 – 20 years (35%) and 21 – 30 years (35%), followed by 0 – 10 years (25%) and remaining 5% are having more than 30 years of experience. The respondents having different work experience have been considered in this study. This will give an indication about the awareness about green marketing practices, implementation of such practices in the Pharmaceutical companies. Green marketing practices are very important and they are beneficial for the growth of the organization. It is important that the pharmaceutical companies should ensure that they follow such practices and this will enhance the revenue earning opportunity and will build up trust among the customers.

Ownership of Company

Ownership of Company					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Wholly Foreign owned	5	25.0	25.0	25.0
	Wholly Locally owned	9	45.0	45.0	70.0
	Jointly owned	6	30.0	30.0	100.0
	Total	20	100.0	100.0	

The ownership of the companies who have been a part of this study include wholly foreign, wholly locally and jointly owned. Majority are working in wholly locally owned i.e. 45%, followed by jointly owned i.e. 30% and remaining 25% are wholly foreign owned. The ownership varies and similarly the working environment of the companies also vary, hence it is important to consider companies having different ownership in this study.

Awareness level about Green Marketing as a concept

Awareness level about Green Marketing as a concept					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very low	1	5.0	5.0	5.0
	Low	4	20.0	20.0	25.0
	High	10	50.0	50.0	75.0
	Very High	5	25.0	25.0	100.0
	Total	20	100.0	100.0	

The awareness about green marketing practices is very important among the people who are working for the company. The awareness level has been considered of 5 point likert scale ranging from very low to very high. Majority respondents have rated “high” i.e. 50%, followed by “very high” i.e. 25%, “low” i.e. 20% and remaining 5% are having “very low” awareness. The awareness for green marketing practices is important so that they could be able to understand their social responsibility and strategize their operations in way that there is no harm to the environment.

Company involved in green marketing strategy

Company involved in green marketing strategy					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	5.0	5.0	5.0
	Undecided	8	40.0	40.0	45.0
	Agree	4	20.0	20.0	65.0
	Strongly agree	7	35.0	35.0	100.0
	Total	20	100.0	100.0	

The company involves green marketing strategies or not has been considered based on 5 point likert scale starting from Strongly disagree to strongly agree. Majority respondents have indicated response as “undecided” i.e. 40%, “strongly agree” i.e. 35%, “agree” i.e. 20% and remaining 5% have indicated they do not agree that their company is involved in green marketing strategy. The customers prefer to buy those pharmaceutical products which are environmental friendly and they have chosen those strategies which are working for the benefits of the society.

Implementation of environment friendly practices

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
1.Implementation of Eco friendly programmes	20	2	5	4.15	.988
2.Management of Waste Water	20	1	5	4.15	1.040
3.Plantation programme should have greencry around manufacturing	20	2	5	3.75	1.070
4.Companies gives environment training	20	1	5	3.65	1.226
5.Implementation of environment management system	20	1	5	3.40	1.273
6.Implemented ISO 14001 standard on environment	20	4	5	4.95	.224
7.Companies followed sop made by WHO regarding environment.	20	4	5	4.95	.224

The response towards the above statements has been considered based on 5 point likert scale i.e. full implementation, implemented to a large extent, only implemented, implemented to a little extent and not implemented. The response has been coded from 1 to 5, wherein 1 represents full implementation and 5 represents not implemented. The mean response in the table above ranges from 3.40 to 4.95 and this indicates that majority respondents have indicated their answer towards implemented to a little extent or not implemented. Hence, the pharmaceutical companies should aim to implement environment friendly practices.

Type of benefits, company obtained using eco-friendly product

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Boost sales in Company	20	2	5	3.65	1.040
Helpful in creating image of green marketing	20	1	5	3.45	1.099
Increase in profit rate of production	20	2	5	3.45	.999
Improve manufacturing process in company	20	1	5	3.25	1.020

The response to the above statement has been considered on 5 point likert scale i.e. strongly agree, agree, undecided, disagree and strongly disagree. The mean response varies between 3.25 to 3.65 and this indicates that the respondents have mainly given their response towards undecided or disagree. Since green marketing practices are not being implemented hence, there is not much impact on the sales, creating a good image and improving manufacturing process of the company. The pharmaceutical companies should aim at promoting their products through eco-friendly ways so that there sales and revenues also improves.

Hypothesis testing

H_{01} – There is no significant impact of green marketing practices on benefits derived by selected Pharmaceutical companies

H_{a1} – There is a significant impact of green marketing practices on benefits derived by selected Pharmaceutical companies

For testing the above hypothesis, regression has been applied through SPSS 20. Regression has been applied for finding out the impact of green marketing practices on benefits derived by selected Pharmaceutical companies.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.428 ^a	.183	.138	.755

a. Predictors: (Constant), Green_marketing_practices

The independent variable in this study is green marketing practices being followed and the dependent variable is benefits derived by selected Pharmaceutical companies. The value of R which represents correlation between independent and dependent variables i.e. 0.428, which indicates a positive relationship between green marketing practices on benefits derived by selected Pharmaceutical companies. The value of R square presents the proportion of change in the dependent variable based on the independent variable and the value of R square is 0.183 which is quite low.

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	2.300	1	2.300	4.039	.041 ^b
1 Residual	10.250	18	.569		
1 Total	12.550	19			

a. Dependent Variable: Benefits

b. Predictors: (Constant), Green_marketing_practices

The significant value in table above is 0.041 which is less than 0.050, which indicates the null hypothesis has been rejected i.e. H_{01} – There is no significant impact of green marketing practices on benefits derived by selected Pharmaceutical companies and the alternate hypothesis has been accepted i.e. H_{a1} – There is a significant impact of green marketing practices on benefits derived by selected Pharmaceutical companies. The green marketing practices are beneficial for increasing the revenue of the pharmaceutical companies. The green marketing practices should be practiced by the pharmaceutical companies so that the their operations, demand of their products should increase.

FINDINGS

- This study has considered employees working at different levels in Pharmaceutical companies so as to get 360 degree view.
- Green marketing practices are very important and they are beneficial for the growth of the organization.
- It is important that the pharmaceutical companies should ensure that they follow such practices and this will enhance the revenue earning opportunity and will build up trust among the customers.
- The ownership varies and similarly the working environment of the companies also vary, hence it is important to consider companies having different ownership in this study.
- The awareness for green marketing practices is important so that they could be able to understand their social responsibility and strategize their operations in way that there is no harm to the environment.
- The customers prefer to buy those pharmaceutical products which are environmental friendly and they have chosen those strategies which are working for the benefits of the society.
- The pharmaceutical companies should aim to implement environment friendly practices.
- Since green marketing practices are not being implemented hence, there is not much impact on the sales, creating a good image and improving manufacturing process of the company.
- The pharmaceutical companies should aim at promoting their products through eco-friendly ways so that there sales and revenues also improves.
- There is a significant impact of green marketing practices on benefits derived by selected Pharmaceutical companies

CONCLUSION

Green marketing can be referred to organization's labour to design, promote, distribution and pricing of products which would not damage environment. The companies which are following green marketing practices have a unique way of implementation of such green marketing strategies. In India, the Pharmaceutical industry underwent many changes after liberalization during 1990s. There are many pharmaceutical companies which have entered the market either through direct investment or as franchise holders. This study has considered employees working at different levels in Pharmaceutical companies so as to get 360 degree view. Green marketing practices are very important and they are beneficial for the growth of the organization. It is important that the pharmaceutical companies should ensure that they follow such practices and this will enhance the revenue earning opportunity and will build up trust among the customers. The awareness for green marketing practices is important so that they could be able to understand their social responsibility and strategize their operations in way that there is no harm to the environment. The customers prefer to buy those pharmaceutical products which are environmental friendly and they have chosen those strategies which are working for the benefits of the society. The pharmaceutical companies should aim at promoting their products through eco-friendly ways so that there sales and revenues also improves.

SUGGESTIONS

- The employees working at different levels in Pharmaceutical companies should focus on green marketing strategies so that they understand the importance of such strategies
- Green marketing practices are beneficial for the growth of the organization, this should be understood by the distributors and retailers also.
- Pharmaceutical companies should ensure that they follow such practices and this will enhance the revenue earning opportunity and will build up trust among the customers.
- Operations should be strategized in a way that they are in line with green marketing practices.
- The customers should evaluate different pharmaceutical companies and prefer to buy products from those companies which are applying strategies which are environmental friendly.

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