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EFFECT OF GREEN MARKETING ON CUSTOMER SATISFACTION

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Abstract

Many businesses want to go green because an increasing number of consumers want to identify themselves with eco-friendly products. Along with this, one can see consumer confusion about the products. Green products, in particular, are frequently viewed with skepticism. Many industries were attempting to develop a good marketing strategy, and many organizations desired to go green, as an increasing number of consumers desired to associate themselves with environmentally friendly products. However, there are a few roadblocks, such as consumer confusion about the products, and markets for green products need to be much more transparent, as well as refrain from violating any laws or standards relating to products or business practices. The main aim of this study was on the role of green marketing on customer satisfaction in PZ Cusson Nigeria Plc. The data for this study was obtained from primary sources. They were gathered using questionnaire structured on the basis of the research hypothesis, which was presented to the respondents to express their views, opinions, and observations. The researcher sampled employees of PZ Cusson Nigeria Plc using simple random sampling. The researcher however made use of 200 respondents for this study. Following the major findings of this study, it was found that the study also showed that Green product has effect on customer satisfaction, green promotion has effect on customer satisfaction, green distribution has effect on customer satisfaction and green price has effect on customer satisfaction. Based on the findings of this research study, the following recommendations are made; Government should increase awareness on uses of green products and offer more subsidy and sources of selling them. Green product quality should be better than standard product and also avoid adulteration of green products. Green products are not yet popular among consumers. Green product helps to improve the quality of life and environment, hence steps should be taken to popularize the organic products and improve the varieties of green products. Aggressive awareness campaign combined with government efforts to promote, support green movements.

Keywords: Green marketing, Customer Satisfaction, Green Product, Green Price Green Distribution, Green Promotion.

Introduction

Consumers all over the world are becoming more concerned about environmental protection. Green marketing is a marketing strategy that can assist businesses in gaining more customers and increasing their profits but only if they do it correctly (Nandini and Deshpande, 2011).. Green marketing, on the whole, benefits nations more. Benefits include ensuring long-term growth and profitability, saving money in the long run, assisting companies in marketing

their products and services, keeping environmental aspects in mind, assisting in accessing new markets, and enjoying a competitive advantage. Meanwhile, green marketing faces challenges such as the fact that green products require renewable and recyclable materials, which are expensive.

It necessitates the use of technology, which necessitates a significant investment in research and development. The majority of people are unaware of green products and their applications; the majority of consumers are unwilling to pay a premium for green products. Despite the fact that green marketing strategies provide more strength to people in globalized countries (Akter, 2012).

Because resources are limited and human desires are limitless, marketers must use resources effectively and efficiently to avoid waste (Nandini and Deshpande, 2011). Green marketing and its influence on buyer behavior play a strategic role in environmental management in this context. Green marketing became popular in the late 1980s and early 1990s, but it had been discussed much earlier. In 1975, the American Marketing Association (AMA) hosted the first workshop on "Ecological Marketing." The proceedings of this workshop resulted in "Ecological Marketing," one of the first books on green marketing (Akter, 2012). Many people believe that green marketing only refers to the promotion or marketing of environmentally friendly products, particularly in his purchasing decision. Green marketing, also known as environmental marketing, refers to environmentally friendly products such as healthy food, Phosphate-Free, Recyclable, Refillable, Ozone-Friendly, and Eco-Friendly. Green marketing, in general, is a much broader concept that can apply to consumer goods, industrial goods, and even services. Green marketing consists of several activities including product modification, manufacturing process changes, packaging changes, and marketing changes (Akter, 2012). Furthermore, the importance of Green Marketing can be emphasized by stating that the majority of consumers in all countries prefer to buy from environmentally responsible businesses. Consumers rank environmental consciousness second only to good value, trustworthiness, and customer care as important corporate priorities.

Consumers expect green businesses to take a wide range of actions, including toxics reduction, recycling, and water management. Many consumers, particularly in developing economies, prefer to spend more money on green products (Tiwari, Tripathi, Srivastava, yadav , 2011).

Green customer loyalty occurred when a customer desired to maintain a relationship with an institute that involved environmental or green concerns and committed to purchasing or re-patronizing a preferred product on a consistent basis in the future (Chang and Fong, 2010). As a result, recent environmental change issues, such as climate change, have come to the fore. It endangers social and economic stability, as well as human survival.

There is no doubt that climate change has an impact on the basic requirements for health – clean air, safe drinking water, enough green food, and secure shelter. Countries can use climate change to their advantage by changing consumer attitudes toward green marketing. Consumers today are extremely sensitive to a few factors.

These factors include consumer loyalty to green products, global warming and environmental safety, product quality, price concern, luxury, and environmental awareness. We must find a way to improve product performance while also increasing customer loyalty to green products (Akter, 2012).

Studies have generally focused on product quality, corporate image, customer satisfaction, and customer loyalty, but only a few have looked into green innovation or environmental management issues. According to Bhatnagar and Grewal (2002), green marketing is still in its infancy, and much more research is needed to fully explore its potential. As a result, it is critical to conduct empirical research on green marketing strategies and their impact on customer satisfaction. Consumers all over the world are becoming more concerned about environmental protection.

Green marketing is a marketing strategy that can assist businesses in gaining more customers and increasing their profits (Nandini and Deshpande, 2011). But only if they do it correctly. In general, green marketing offers more advantages to nations. Benefits include ensuring long-term growth and profitability, saving money in the long run, assisting companies in marketing their products and services, keeping environmental aspects in mind, assisting in accessing new markets, and enjoying a competitive advantage. Meanwhile, green marketing faces challenges such as: Green products necessitate renewable and recyclable materials, which are costly; Green products necessitate technology, which necessitates significant investment in research and development; The majority of people are unaware of green products and their applications; The majority of consumers are unwilling to pay a premium for green products. Despite the fact that green marketing strategies provide more strength to people in globalized countries (Akter, 2012).

Literature Review

Green marketing is one method of influencing consumer purchasing behavior, and it strongly encourages consumers to buy environmentally friendly products. Moreover, bring their attention to the benefits of their purchasing habits, both for themselves and the environment (Delafrooz, Taleghani& Nouri, 2014). Green advertising, according to Davis (2004), has three components. To begin, the company will issue a statement about the environment. Second, by changing its procedure from the green advertisement, the company will demonstrate its concern and dedication to improving the environment. Third, green advertising will promote specific environmental actions in which the company is involved (Rahbar & Wahid, 2011).The dependability and influence of green marketing is a major issue for marketing managers who try to be environmentally responsible and expect a compensation from consumers for their properbehavior, as marketing managers and marketing professionals need to master environmental information, communication, and presentation of environmental information in advertisements (Alniacik& Yilmaz, 2012).

The definition of customer satisfaction according to Priansa (2017)is the feeling that someone feels both happy and disappointed that arises after comparing expectations with the performance results of a product. If the work results are below expectations, the customer will feel disappointed. If the work results meet expectations, the customer will be happy. And if the work exceeds expectations, the customer is very satisfied. According to Chikako and Hamu (2021), customer satisfaction is a measure of how the products and services provided

by the company meet or exceed customer expectations. It is also said that the perceived quality of service is high, it will lead to an increase in customer satisfaction.

Companies devote a significant portion of their budget to marketing strategies in order to promote their products/services. These advertising strategies have an impact on consumer purchasing behavior (Abideen&Latiff, 2011). As customers gain more control over products and information, it becomes increasingly difficult for advertisers to raise brand awareness and condition customers' minds to make final purchase decisions (Raju, 2013). Customer satisfaction in relation to green marketing strategies is defined as the result of the consumer's consumption experience and satisfaction. Customer satisfaction is influenced by a variety of perceptual and psychological factors. Satisfaction with the product, satisfaction with the purchasing decision, satisfaction with the attribute of performance, satisfaction with the company, and satisfaction with the post-purchase experience are all aspects of satisfaction (Patterson, Johnson, &Spreng, 1997).

Theoretical Framework

Stakeholder Theory

When environmental protection and sustainable development become global trends, businesses are compelled to take social responsibility into account in their operations. The concept of corporate social responsibility first appeared in the 1950s, and Carroll's definition is widely used today. Carroll (1979) defined business social responsibility as "the economic, legal, ethical, and discretionary expectations that society has of organizations at any given time." Although businesses assume responsibility for the larger society, they must also consider some specific stakeholders who interact with the business (Maignan et al. 2005). In other words, "social responsibility" can be interpreted as "responsibility to stakeholders." Individuals or organizations that are directly or indirectly affected by the business's activities are referred to as stakeholders. Stakeholders provide resources for the long-term success of the business (Freeman, 1984).

Empirical Review

Yazdanifard and Mercy (2011) examined "The Impact of Green Marketing on Customer Satisfaction and Environmental Safety." Going green, environmental protection, sustainable lifestyle, sustainable development, protecting our planet, and many other terms have become natural phenomena in our daily lives. As a result, researchers interested in the impact of green marketing on customer satisfaction and environmental safety can use this paper.

Rakhsha and Majidazar (2011) investigated the impact of a green marketing on consumer satisfaction and loyalty at the East Azarbaijan Pegah Dairy Company in Tabriz, Iran. The conclusion was reached that the green marketing mix has a significant impact on consumer satisfaction. It was also determined that consumer satisfaction has a significant impact on loyalty. By considering the effect of green marketing mix on consumer and customer satisfaction, as well as the effect of such satisfaction on loyalty, it can be assumed that companies can gain a competitive advantage in their organization by incorporating green marketing into their overall marketing strategy.

Chang and Fong (2010) also investigated the connection between green product quality, green corporate image, green customer satisfaction, and green customer loyalty. The empirical

findings show that (1) green product quality is positively associated with green customer satisfaction and loyalty, and (2) green corporate image is positively associated with green customer satisfaction and loyalty; and (3) green customer satisfaction is related to green customer loyalty. The findings suggest that green product quality can lead to green customer satisfaction and loyalty. Furthermore, a green corporate image contributes to green customer satisfaction and loyalty.

Hypothesis

H_0 there is no significant relationship between green marketing and customer satisfaction in PZ Cussons Nigeria Plc

The descriptive research design has been chosen for this study. The population of the study consists employees of PZ Cussons Nigeria Plc in Lagos region. The Total population of PZ Cussons Nigeria Plc Lagos state is 500 staff. The sample size for the study was determined by the statistical formula for selecting from finite population as formulated by Yamane (1964). Therefore, based on Taro Yamane's formula, the sample size for this study is approximately (222) respondents, two hundred and twenty-two. The data for this research work was primarily sourced using questionnaire.

$$n = \frac{N}{1 + N(e)^2}$$

Where:
n= Sample size required for the study;
N= number of people in the population;
e= allowable error (%) which is 5% or 0.05
Using this formula, we can estimate the sample size of this study thus:

$$n = \frac{500}{1 + 500\,(0.05)^2} = \frac{500}{1 + 500(0.0025)}$$

$$n = \frac{500}{2.25} = 222$$

Therefore, based on Taro Yamane's formula, the sample size for this study is approximately two hundred and twenty two.

Descriptive Statistics was used to analyze the data generated from the socio–demographic variables. All the hypotheses for the study were subjected to correlational and regression statistical analysis and tested at 0.05 level of significance. Data were analyzed using SPSS software version 20.0. This shows the frequency distribution and percentage of all important variables.

Findings

This chapter focuses on the analysis of data collected based on questionnaires administered to respondents' in company. The responses were presented using frequency distribution table and percentage.

4.1 Socio-Demographic Characteristics of Respondents

Table 4.1: Socio-Demographic Characteristics of Respondents

S/N	Variables	Frequency	Percentage
2	**Age:**		
	21-30	86	43.0
	31-40 years	50	25.0
	41-50 years	38	19.0
	51 and above	26	13.0
	Total	**200**	**100.0**
4	**Marital status:**		
	Single	98	49.0
	Married	84	42.0
	Divorced	18	9.0
	Total	**200**	**100.0**
5	**Academic Qualification:**		
	OND/NCE	28	14.0
	B.SC/HND	122	61.0
	M.SC/MBA	46	23.0
	OTHERS	4	2.0
	Total	**200**	**100.0**

Hypothesis

H_0 there is no significant relationship between green marketing and customer satisfaction in PZ Cussons Nigeria Plc

4.3 Multiple Regression Test

We use linear regression method to check the effect of independent variables with independent variable. In regression analysis we took customer satisfaction as dependent variable while green marketing is the independent variable of research.

Table 4.6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.653[a]	.426	.183	.2722

a. Predictor (Constant), green marketing

The R-square showed the coefficient of determination which is 0.426. This implies that 42.6% of the variations in green marketing is explained by customer satisfaction while the remaining 57.4% is explained by others factors not considered in this hypothesis.

Table 4.7: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.841	196	446.488 3.364	132.725	.004[b]
	Residual	2.278	4			
	Total	3.119	200			

a. Dependent Variable: customer satisfaction
b. Predictor: (Constant), green marketing

Table 4.7 shows the Analysis of Variance table for the regression model, which is used to determine whether or not the regression model is significant. From table 4.9 above, it is seen that the regression model has a *p – value* of 0.004 which is less than 0.05 hence indicate that the regression model is significant which indicates that at least one of the variables in the model contributes significantly to the fitted model.

Table 4.8: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.463	.850		.258	.002
	Green marketing	.540	.544	.332	2.671	.020
a. Dependent Variable: customer satisfaction						

The p-value or probability value measures the strength of evidence in support of a null hypothesis. The null hypothesis is rejected if our p-value is less than the confidence interval ($p < \alpha$) and accepted if p-value is greater than the confidence interval ($p > \alpha$).

The resulting regression model will;

$$= 0.463 + 0.540$$

Hypothesis

H_0 there is no significant relationship between green marketing and customer satisfaction in PZ Cussons Nigeria Plc

The regression coefficient (B = 0.540) suggest that it will positively impact customer satisfactionin PZ Cussons Nigeria. The P-value was also seen to be less than 0.05 our α (*0.020 < 0.05*) thus this means that there is enough evidence to accept the alternate hypothesis, leading to a conclusion that there is a statistical relationship between green marketing and customer satisfaction in PZ Cussons Nigeria Plc.

Discussion

The seminar paper was on the effect of green marketing has on customer satisfaction in PZ Cussons Nigeria Plc making use of a sample of two hundred (200) employees, in the organization

The regression coefficient (B = 0.540) suggest that it will positively impact customer satisfaction in PZ Cussons Nigeria. The P-value was also seen to be less than 0.05 our α ($0.020 < 0.05$) thus this means that there is enough evidence to accept the alternate hypothesis, leading to a conclusion that there is a statistical relationship between green marketing and customer satisfaction in PZ Cussons Nigeria Plc.

Theoretical Contributions

This paper sheds light on the effect of green marketing on customer satisfaction in PZ by reviewing existing literature. Our contribution emphasizes the importance of understanding where green marketingare best represented in customer satisfaction, as well as where academics in general are focusing their attention. We aimed to provide inductive insights into the current state of green marketing in customer satisfactionthrough the use of a literature-driven and systematic methodology that can be replicated for future research opportunities for both academics and industry professionals.

Managerial Implications

The findings of this study may also aid academics and industry professionals in understanding how the role of green marketing incustomer satisfaction. This work sheds light on potential research areas in the effects of green marketing oncustomer satisfaction, allowing academics and industry professionals to collaborate. Furthermore, these findings provide an opportunity for industry professionals to educate themselves on potential behaviors that may benefit the organization

Limitations

Finance and time were major limitation to the seminar paper. Furthermore, we were limited on the access to databases.

Conclusion

To summarize, green marketing is a tool for preserving the environment for future generations. It is beneficial to environmental safety. Because of the growing concern for environmental preservation, a new market, known as the green market, has emerged. Firms must go green in all aspects of their operations in order to survive in this market. Customers want to identify with companies that are environmentally conscious, and they are willing to pay a premium for a greener way of life. Green marketing should not be viewed as just another marketing strategy; rather, it should be pursued with greater zeal because it has an environmental and social component.

With the threat of global warming looming, it is critical that green marketing becomes the norm rather than the exception or a passing fad. Green marketing is a tool for future generations to protect the environment. It is beneficial to environmental safety. Because of the growing concern about environmental protection, a new market, known as the green market, has emerged. Companies must go green in all aspects of their operations in order to survive

in this market. Consumers want to identify with companies that are environmentally conscious, and they are willing to pay a premium for a greener way of life. As a result, green marketing is not only a tool for environmental protection, but also a marketing strategy.

Recommendations for future Research

The government should raise awareness about the benefits of using green products and provide more subsidies and outlets for selling them. Green product quality should be higher than standard product quality, and green product adulteration should be avoided. Green products are not yet well-liked by consumers. Green products help to improve the quality of life and the environment; therefore, efforts should be made to popularize organic products and expand the variety of green products. Aggressive public awareness campaign in tandem with government efforts to promote and support green movements.

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