

# **Green Marketing Practice: How Consumers Understand and Respond to Green Labelling**

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Green marketing is the marketing of the products that are presumed to be environmentally safe (AMA). In order to support environmental protection, manufactures have introduced various green innovations which incorporate a broad range of changes in production processes, packaging and labelling, modifying products as well as advertising. The growing public concern for safety and protection of the environment has increased to the perception that customer purchase would be influenced by environmental labels. Thus, Green labelling has become an important area in the marketing literature and it is a powerful marketing strategy that organizations are increasingly leveraging. Green labeling information has been used to describe marketing activities that attempt to reduce the negative social and environmental impacts of business. Despite research indicates strong support for labelling information, doubt remains with respect to how labels influence consumer's purchase decisions.

Therefore, the purpose of the study is to empirically investigated how consumers understand and respond to green labels. A sample of 133 consumers who purchased packaged goods was used for the data analysis. Consumer's comprehension of label information was measured based on two variables such as knowledge and truth of label information and attitudes towards green product price and quality used to measure purchase intention. They were measured through Likert scale. The data were collected principally a self-administered questionnaire and analysed using both descriptive measures and correlations between variables. The research found that knowledge of label information positively influences purchase intention and the relationship is highly significant. However, consumer's belief about truth of label information is not significant predictor of purchase intention. Overall, the survey findings suggest that Sri Lankan consumer's level of comprehension of green labels and green purchase intention are rather low. Descriptive analysis also indicate that a large number of consumers (94%) reported that they always read labels. However, some respondents believe that technical descriptions and some information are difficult to understand. A large number of respondents (87%) have doubt about that the information on labels are accurate and are provided on clear meaning. This paper offers some insights in to green labelling strategies to business / product planners.

**Key Words:** Green Marketing, Green / eco-labelling, purchasing intension