

Marketing Research on Green Technology in Projectors

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Comments by the Faculty

India is one of the fastest growing economies in the world and the world's largest sourcing destination for the information technology (IT) industry. It enhanced our economic growth and accessibility to new technology. But on the other hand it created a grave environmental threat in the form of electronic waste (e-waste) which contains heavy metals like Lead and Mercury. Improper disposal of e-waste with these metal contents can create water, air pollution and soil acidification. High and prolonged exposure of these metals can damage of almost all major body systems. Our country is the fifth biggest producer of e-waste in the world. According to the UN Report, India discards around 1.7 million tonnes (Mt) of electronic and electrical equipment waste in 2014 (Deccan Herald, 2015). In this context, we need to focus on developing and adopting green or clean technology. Green technology includes products and services that use renewable or eco-friendly materials which reduce or eliminate hazardous environmental emissions and wastes.

Puthur Info Tech Private limited is leading office technology solutions provider established in 2006 with its corporate office in Bangalore. The company provides wide range of IT hardware equipment like printers, projectors, computers, LED TVs etc. It's one of the leading dealer for green projectors manufactured by Casio. One of the major challenges faced by the company was limited sales for eco-friendly or green projectors.

The market study conducted by Sathish Kumar Ponnaganti (PGDM no 14139) on behalf of Puthur InfoTech focused on different companies in Bangalore, their awareness, adoption of Green technology in projectors (Green projectors) and sales potential for green projectors in these companies. It also looked into organization's commitment and willingness to shift to green technology from the conventional ones. The study also focused on the initiatives taken by companies to reduce e-wastes. Structured questionnaire was used to collect responses from key persons who are responsible of hardware sourcing for these companies. Responses were collected from 51 companies which provided information regarding their awareness and adoption of green technology in these companies.

One of the key managerial insights came out of the study was lack of in-depth awareness about green projectors and their benefits among most of the companies studied. Among the companies which adopted green projectors, the willingness to continue with green projectors was due to significant increase in quality and lifetime of the projector. The key attributes companies look at projectors are quality, lifetime, low maintenance cost and eco-friendly nature. Insights about company initiatives for green technology can provide an idea about the sales potential for green projectors among non-adopters.

Lack of awareness about Green projectors indicates the need for developing and implementing an effective IMC (Integrated Marketing Communication) strategy by Puthur InfoTech for green products. Organization can utilize the key attributes that companies looking at in green projectors to develop their sales strategy. Moreover from the study, company need to figure out that eco-friendly products which is the initial stages of product life cycle require focused sales and distribution effort to enhance the sales and reach of the product to potential customers.

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Introduction

Information Technology covers a broad spectrum of hardware and software solutions that enable organizations to gather, organize, and analyse data that helps them achieve their goals. It also details technology-based workflow processes that expand the capacity of an organization to deliver services that generate revenue.

India is the world's largest sourcing destination of the information technology (IT), accounting for approximately 52% of the US\$ 124-130 billion market (IBEF, 2015). The industry employees about 10 million Indians and continues to contribute significantly to the social and economic transformation of the company (IBEF, 2015).

The IT industry has not only transformed India's image on the global platform, but has also fuelled economic growth by energising the higher education sector especially in engineering and computer science. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than US, continues to be unique selling proposition (USP) in the global sourcing market (IBEF,2015).

Puthur Info Tech is one of the leading players in providing the IT office solutions and after sales service segment. In the view of the existing the lack of sales of eco-friendly products involved, they intended to seek a better understanding of market for the Green Projectors to enhance as well as promote the same. The purpose of the study is to understand the present market position of Green Projectors in Bangalore Market. The market research was conducted by getting responses of companies which are using projectors and other technological office solutions in this region.

Company Profile

Puthur Infotech Pvt. Ltd is an office solution service providing firm which was registered on 12/12/2006. Its registered office is situated at Banaswadi Main Road, Bangalore. The corporate office is situated in Bangalore and the regional offices are in Hyderabad, Cochin, Chennai, Delhi, Bombay, Kolkata and associate offices all over India.

Puthur InfoTech assists the enterprises across multiple industries to manage and use technology in office to improve the performance of their business. The manpower division of the firm provides total HR outsourcing, facility management and currently recruits for about 50+ companies in India and abroad. Some of the clients are Wipro, HAL, State Bank of India, Tech Mahindra, Cisco and Volvo.

Situation Analysis

Service Sector in India today accounts for more than half of India's GDP. Services contributes nearly 57 per cent of the GDP (IBEF, 2015). This shows the importance of service industry to the Indian economy.

Puthur Info Tech is the office solution provider in Bangalore, it provides wide range of IT hardware equipment like printers, projectors, computers, LED TVs etc.

One of the primary focus areas for company was to understand the customer attitude towards green projectors, because the sale of the green projectors is very little compared to the sale of conventional projectors. Moreover, they want to take an initiative to promote green projectors among their consumers to overcome the environmental degradation as well as to maximize the profit. Demand for Green projectors in the market is very low and consumers are not willing to buy the projectors with high initial expenditure. The price for the conventional product is very low, so they prefer the conventional projector over green projectors.

Factors which Can Influence Sale of Green Projectors

Internal Factors

- The firm is not able to convey the benefits of the Green Projectors to the consumers
- There is no special focus to sell the Green products
- Lack of high profile company contacts

External Factors

- Lack of proper awareness about Green Projectors in the market
- Facing high competition with conventional products
- Lack of environment concern among the consumers
- High initial expenditure

Technology Factors

- Some companies perceive green technological approach is unworkable or unscalable.
- Due to the use of sophisticated technology, some companies felt that the cost of the projector are high and consumers have to wait for long time to get benefit from the Green Projectors

Market Factors

- Competition with other dealers of Green Projectors in market
- Competition with conventional product providers because they can provide them for low price compared to green projectors

Competitive Factors

- More maintenance-free lifetime
- Reduced environmental impact
- Quieter running for green projectors compared with conventional ones.

Background of the Study

Puthur InfoTech was dealing with the conventional mercury lead projectors of Casio, which is still having a steady market. Currently the firm is also dealing with Casio green projectors along with the conventional ones.

Some of the observations that company made regarding the low demand for green projectors is due to the high price conscious among consumers and the lack of awareness about the green technology products. The firm believes that the sales can be picked up in the future only when government passes certain environmental laws that controls the use of mercury lead projectors. The company had the notion that consumers were hesitant to go for the green projectors as the consumers were skeptic about the availability and effective after sales service for the green projectors.

The study focused on understanding the consumers' willingness to buy and awareness level about green projectors. The current study also aims to find out whether the claims related to availability, after sales service are valid and whether there are any other reasons that is affecting the adoption of green projectors among the consumers.

Research Objectives

- To understand the extend of awareness among companies about green projectors.
- To know whether the companies are willing to switch to green technology from the conventional projectors.

Scope of the Study

The study is limited to understanding how the existing and potential clients of the Puthur Info Tech are looking at green projectors and reasons for low adoption of green projectors. This project look into the critical areas of improvements where Puthur Info Tech needs to focus its efforts in better pushing the green projectors to the existing and new consumers.

Research Methodology

Exploratory research was conducted to understand the awareness and adoption level of green technology products among existing and potential clients. Data was collected by using structured questionnaire from companies based in Bangalore.

Sample Size

The data regarding awareness and adoption of green projectors was collected from 51 companies for the study. Most of the companies are in IT sector. Responses were collected from IT heads, System Admins, HR, CEOs, Managing Directors, COOs and Operational Managers who are involved in purchase of hardware for the concerned companies.

Data Analysis & Interpretation

The data collected from 51 companies were analyzed. The results obtained are cited below

Usage \Adoption of Green Technology Products(Green Projectors)

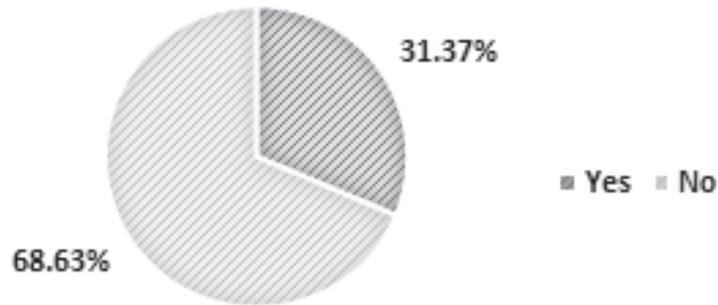


Figure 1: Usage\Adoption of Green projectors (Source: Primary data)

Table 1 - Usage\Adoption of Green projectors (Source: Primary data)

| Usage of Green Projectors | No of Companies Adopted | Percentage |
|---------------------------|-------------------------|------------|
| Yes | 16 | 31.37% |
| No | 35 | 68.63% |

Among the response collected from 51 companies, 31.3 % are already using Green projectors. Rest of the companies are still not adopted green projectors, LED and energy efficient projectors.

Reason Adoption for Green Technological Products (Among Existing Users)

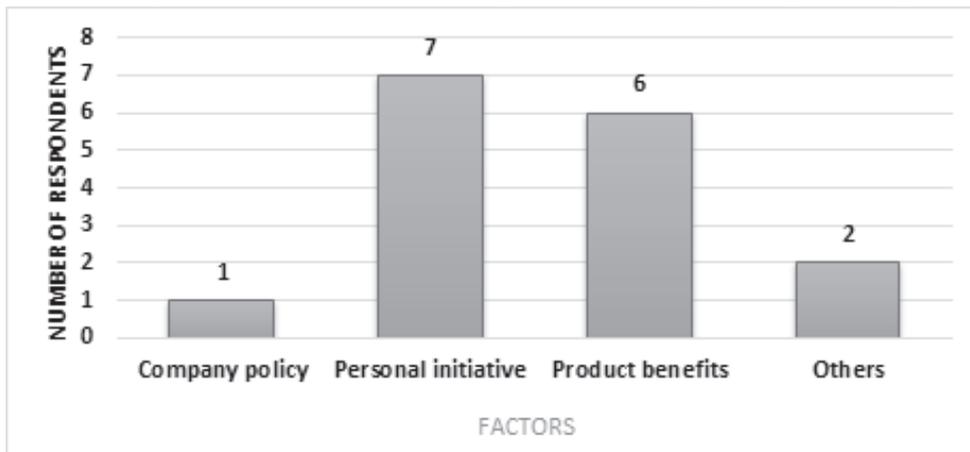


Figure 2: Reason adoption for Green technological products (Source: Primary data)

Table 2 - Reason adoption for Green technological products (Source: Primary data)

| Reason for adoption | No of companies | Percentage |
|----------------------------------|-----------------|------------|
| Company policy | 1 | 6.25% |
| Personal initiative (Manager's) | 7 | 43.75% |
| Product benefits | 6 | 37.50% |
| Others | 2 | 12.50% |

Among the existing companies who are using ecofriendly products, only one company is using ecofriendly products because of company policy, but the most of the companies they don't have any mandatory to use of Green tech products as company policy. 43.75% out of 16 companies are using Green products because of personal initiative of the manager.

Willingness to Continue with Green Projectors (Existing Users)

Table 3 - Willingness to continue with green projectors (Source: Primary data)

| Response | No of Companies | Percentage |
|----------|-----------------|------------|
| Yes | 16 | 100% |
| No | 0 | 0% |

Among the 16 companies using green projectors all of them want to continue with green projectors due to high satisfaction level with the product. Some companies they want to move for total green office equipment because of the efficiency of the products and its environmental impact.

Willingness to Purchase Green Projectors (Potential Consumers)

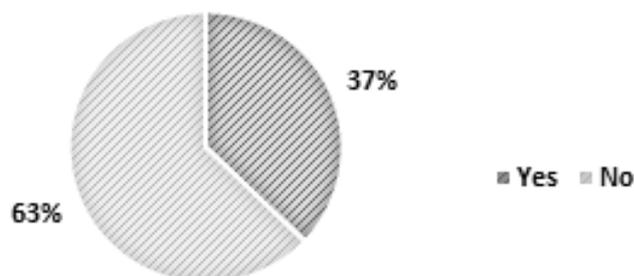


Figure 4: Willingness to purchase green projectors (Source: Primary data)

Table 4 - Willingness to purchase green projectors (Source: Primary data)

Among the 35 companies which are not adopted green technology, 37% showed the interest to purchase green projectors in future. This indicate that the Puthur InfoTech can push the products among these companies.

Factors That are Influence Consumers to Adopt /Use Green Projectors (Potential Consumers)



Figure 5: Factors that are influence consumers to adopt green projectors
(Source: Primary data)

Table 5 - Factors that are Influence Consumers to Adopt Green Projectors
(Source: Primary data)

Among the 13 potential companies who showed willingness to purchase in future, 7.69% people want to use green projectors because of product benefits. But majority of the companies (92.3%) want to use green projectors because of personal initiative

Reasons Prevented the Consumers from Buying Green Technology Products (No Users)

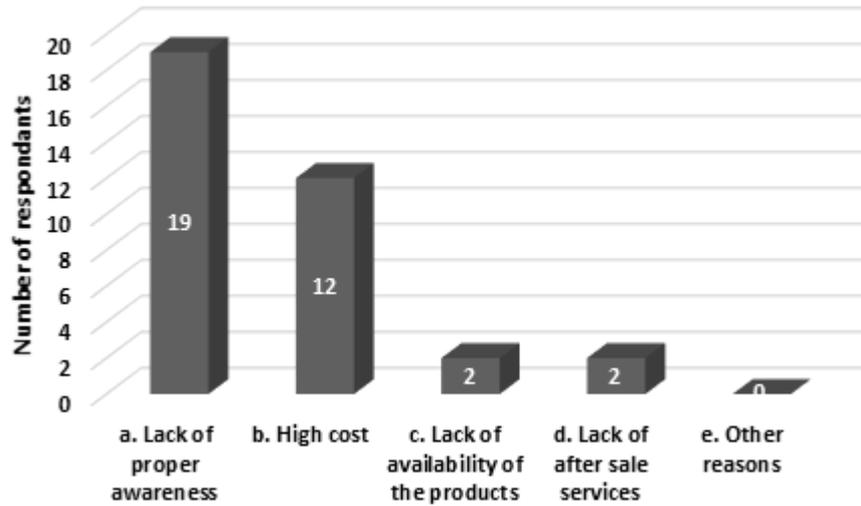


Figure 6: Reasons prevented the consumers from buying green technology products

(Source: Primary data)

Table 6 - Reasons prevented the consumers from buying green technology products

(Source: Primary data)

| Reason for not buying products | Number of companies | Percentage |
|--------------------------------------|---------------------|------------|
| Lack of proper awareness | 19 | 54.29% |
| High price/cost | 12 | 34.29% |
| Lack of availability of the products | 2 | 5.71% |
| Lack of after sale services | 2 | 5.71% |
| Other reasons | 0 | 0.00% |

Lack of proper awareness was one of the major reason cited by majority (54.29%) of the companies who are not using green projectors. 34.29% people are not using them due to the high cost factor.

Sense of Responsibility among Companies with Respect to Environmental Degradation Due to E-Waste (Electronic Waste)

Table 6: Sense of Responsibility among companies with respect to environmental degradation due to e-waste (Source: Primary data)

| Response | No of companies | Percentage |
|----------|-----------------|------------|
| Yes | 51 | 100% |
| No | 0 | 0% |

Most of the companies felt that they need to be responsible towards reducing the environmental degradation due to e-waste.

Willingness Shown by the Companies to take Initiative to Overcome E-Waste Problem

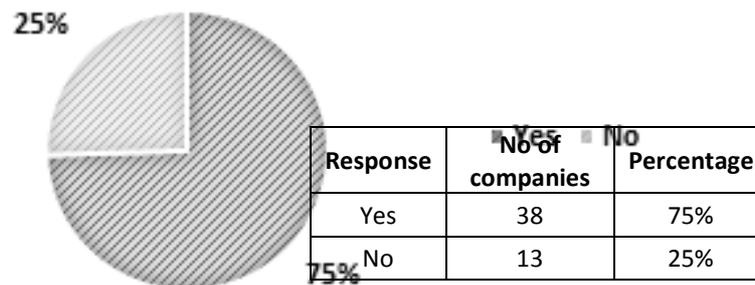


Figure 7: Willingness shown by the companies to take initiative to overcome E-waste problem (Source: Primary data)

Table 7: Willingness shown by the companies to take initiative to overcome E-waste problem (Source: Primary data)

Out of the 51 companies, 75 % companies showed willingness to take initiative to overcome the e –waste problem. This is an indicator which can enhance the scope for green projectors.

Initiatives Will Be Taking by the Companies to Overcome the E-Waste Problem

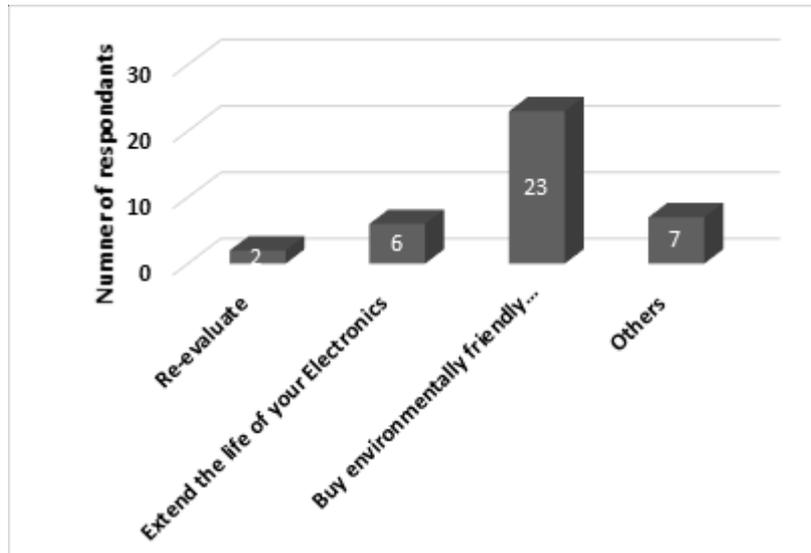


Figure 8: Initiatives will be taking by the companies to overcome the E-waste problem

(Source: Primary data)

Table 8 - Initiatives will be taking by the companies to overcome the E-waste problem

(Source: Primary data)

| Response from the company | No of companies | Percentage |
|--|-----------------|------------|
| Re-evaluate | 2 | 5.26% |
| Extend the life of your Electronics | 6 | 15.79% |
| Buy environmentally friendly electronics | 23 | 60.53% |
| Others | 7 | 18.42% |

From the study we could conclude that 38 companies are willing to take initiative to adopt green technology. Among these companies, 60.5 % of companies are interested to buy eco-friendly projectors and other companies are willing to take initiatives like repairing and then reselling to other organizations to reduce e-waste.

Key Findings

- The major finding is that most of the companies are not aware about the green projectors, but they are interested in using green projectors. Some companies which are low profile companies they want to use conventional projectors only because they are not facing any problem with them and the cost of the conventional projectors are very low compared to the green projectors. But Puthur InfoTech can create awareness among high profile companies and switch them from conventional to green projectors.
- 31.37% of the companies studied are using green projectors now. The observation is that the companies who are already using green projectors are very satisfied with the products and majority of them are preferring green projectors over conventional ones, because of the significant increase in quality and lifetime.
- The major factors that the companies prefer for green projectors are quality, lifetime and environmental impact.

Recommendations

- Out of 51 responses 80% of them have some idea about green technology. So Puthur Info Tech can create more awareness about the product benefits and convince the companies to adopt green projectors. The awareness and visibility for green projectors can be improved by advertisements and promotional campaigns.
- The company need to dedicate special web page regarding green projectors which can provide information regarding green products for potential buyers.
- 37% of the companies who are not using green projectors have shown interest to purchase green projectors. So it indicates that sales potential is there for green projectors among the non-adopters.
- Company need to focus on developing a dedicated sales and service team to reach out new customers for green projectors and to maintain sustainable relationship with existing clients.
- Company can work on schemes and offers to elicit increase in volume of sale of green projectors especially for companies who are cost conscious.
- Some of the non-adopters of green projectors commended that most of the green products failed to meet the parameters like energy efficiency, low maintenance cost and environmental impact. So Puthur info tech need to address these issues properly which can make them potential buyers.

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