

THE INFLUENCE OF CONSUMERS' PERCEPTION OF GREEN PRODUCTS ON GREEN PURCHASE INTENTION

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ABSTRACT

Green consumerism has increasingly received attention since the increased level of consumer awareness towards green products. Therefore, the aim of this paper had been to examine the influence of consumer perception of green products on green purchase intention. In this study, perception of green products was conceptualized as a multidimensional variable comprised of green corporate perception, eco-label, green advertising, green packaging, and green product value. The results demonstrated that within consumer perception; green corporate perception, eco-label, and green product value had positive significant influences on green purchase intention. The findings also revealed that eco-label and green product value made the largest contribution in influencing green purchase intention among consumers. In contrast, both green advertising and green packaging had no significant impact on consumer intention to purchase green products.

Keywords: Green consumerism, Green purchase intention, Green product, Green corporate perception, Green advertising, Green packaging, Green product value

INTRODUCTION

Unusual climate changes, global warming, health concern, and environmental issues are the factors which have led consumers to behave „green“ in their purchasing decisions and consequently, the demand for green products has increased significantly. Furthermore, the emergence of green consumerism signifies that some consumers are willing to pay a premium price for green products. The “going-green” trend has now extended to the Asian region, including Malaysia. In general, Malaysian consumers are more willing than before to favour green concepts. Emerging markets for green products in Malaysia means promising opportunities for green marketers. Importantly, Malaysia has been ranked ninth for consumer awareness on the impact of air pollution and global warming. Based on The Nielsen Global Online Environmental and Sustainability Survey in 2011, nine out of ten Malaysians were aware of the impact of the environmental issues. Even though Malaysians have displayed great concern for the environmental impacts, only one in five or 20 percent of consumers were willing to pay more for environmentally friendly products. This implies that despite most Malaysians have expressed great concern over environmental issues; they are still not willing to change their buying behaviour towards environmentally friendly products. This is consistent with a study it is found

that the green purchase behaviour among Malaysians is not encouraging. In their study, which tempted to identify the green consumer profiles and their green buying behaviour in Malaysia, it was discovered that only 30 percent of the total respondents were categorized as green product buyers and had had experience in purchasing green products.

Besides, numerous studies have been conducted in the past on green consumerism in Malaysia, particularly on the predictor variables, such as consumers' demographic profiles, consumers' environmental attitudes, consumers' environmental threats, perceived consumer effectiveness, and perceived behavioural controls. However, studies to unveil the relationships between consumers' perception of green products and green purchase intention are still relatively less in Malaysia. Yet, there is much uncertainty among firms on the product dimensions to be considered when developing green products. Hence, the current study is vital in filling the current literature gap about green consumerism in Malaysia. Therefore, the main purpose of this study had been to investigate if consumers' perception on green corporate, eco-label, green advertisement, green packaging, and green product value influence their green purchase intention.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Green Purchase Intention

According to the Theory of Planned Behaviour by Ajzen (1991), the combination of attitudes towards the behaviour, subjective norms, and perceived behavioural control guide the formation of an intention, and thus, intention is assumed to be the predecessor of the actual behaviour. Again, a central factor in the Theory of Planned Behaviour is the individual's intention to perform a given behaviour. Intentions are assumed to control the motivational factors that influence behaviour. They are indications of how hard people are willing to try, or how much of an effort they are planning to exert in order to execute the behaviour. In short, the stronger the intention to engage in certain behaviour, the more likely an actual behaviour would be performed (Ajzen, 1991). Roberts and Bacon (1997) have developed a conceptual model to explore the relationships between consumers' environmental concern and ecologically conscious consumer behaviour in the USA. Their study conceptualized the consumer behaviour variable in six-dimensional criteria with 30 measuring items. They ranged from the use of recycled products to consumers' green purchase behaviour. In a similar study on consumer behaviour, developed a conceptualized model that investigated the influence of various cultural and psychological factors on green purchase behaviour among Chinese consumers. The green purchase intention in the study was conceptualized as a single dimension variable and was measured by three items.

However, a conceptualized model have been that consisted of seven variables in their study, which investigated the influences of multiple factors on green products for green purchase intention among consumers in Australia. The green purchase intention in the study was conceptualized as two-dimension variables, with price and quality as the measurement for green purchase intention. Whereas the study referred green purchase intention as the probability and

willingness of a person to give preference to products having eco-friendly features over other conventional products in their purchase considerations. Likewise, green purchase intention as the likelihood that a consumer would buy a particular product resulting from his or her environmental needs was defined. Hence, for the purpose of this study, green purchase intention was conceptualized as a single-dimension variable, which is in line, as they have defined green purchase intention as the probability and willingness of a person to give preference to products with eco-friendly features over other conventional products in their purchase considerations.

Factors Influencing Green Purchase Intention

Green Corporate Perception

A conceptualized model to investigate consumers' perception formation towards green product in Australia was developed. There were seven independent variables involved in their study, namely, corporate perception, product perception, regulatory protection, product label, past experience, packaging, and ingredients. One of the independent variables; green corporate perception, was measured by using one single dimension with three measurement items. The authors further contended that consumers' perception of the firm's corporate strategies towards environmental issues was expected to contribute to the formation of the overall perception about green products. Okada and Mais (2010), further describe that green companies are contrasted with non-green companies in the extent to which they take proactive measures in environmental sustainability and position themselves based on environmental philosophy.

As for the purpose of this study, green corporate perception was conceptualized as a single dimension variable based on a study. In the study, investigated consumer perception formation towards green products in Victoria, Australia and found that there was a significant, but negative relationship between consumers' corporate perception on green products. Accordingly, consumers' overall perception about green product was negatively correlated with green purchase intention. The findings showed that the respondents had a general perception on corporate policies that did not support corporations that placed higher profitability in implementing green product strategies. In another study conducted by Barber (2010) that covered a general adult population of wine consumers in the USA also reported similar findings. The study that aimed to examine consumers' attitudes, behaviors, values, and intention to pay more for green wine packaging revealed that consumers who considered environmental issues when making a purchase were more likely to pay more for green wine packaging than those who did not. Significantly, some of these respondents stated that they refused to buy wine products from companies alleged of being harmful to the environment.

Eco-Label

Eco-label is a mean of information tool that usually utilized logo to convey information to consumers on the environment implications of buying such product. Additionally, eco-label is a means for consumers to make choices that will reduce environmental impact and enable them to influence how products are made. eco-label is a product claim to furnish consumers with credible

and easily accessible information on the environmental attributes of a product. Elham Rahbar and Nabsiah Abdul (2011) developed a conceptualized model that investigated the effects of eco-label, eco-brand, and environmental advertising on consumers' purchasing behaviour in Penang, Malaysia. They suggested that these three marketing tools are useful in enhancing consumers' knowledge about environmental friendly products and their ability to distinguish between green products and conventional products. In the same study, eco-label was conceptualized as a single-dimension variable that consisted of four items, ranging from consumers' recognition of various eco-labels, use of eco-labels, the comprehension of the meaning of eco-labels, and trust of the eco-label's message. Hence, for the purpose of this study, eco-label was conceptualized as a single-dimension variable based on a study.

In addition, a considerable amount of literature has been published on the relationship between eco-label and green purchase. The results of these studies often contradict each other. Vlosky et al. (1999) unveiled the relationships between intrinsic environmental motivations like environmental consciousness, the importance of environmental certification, involvement in certification, and the willingness to pay a premium for environmentally certified wood products in USA. The study found that consumers with high involvement or high expectation in environmental certification had high willingness to pay a premium for environmentally certified wood products. A study, examined the impact of "Dolphin-Safe" eco-label on four brands of consumers' canned tuna choice in Australia, reported that consumers were favourably influenced by the presence of "dolphin-safe" eco-label on their tuna brand preference. Sammer and Wustenhagen (2006) conducted a choice-based conjoint analysis involving 151 potential washing machine buyers in Switzerland. The study analyzed the relative importance of EU energy-labelled products compared to other product attributes, such as brand, water and energy consumption level, energy efficiency rating, and price factor on consumer buying decision for a washing machine. The research findings indicated that the energy label positively influenced consumers' buying decisions for washing machines. Interestingly, the willingness to pay for the costs exceeded the cost savings that can be expected over the lifetime of the product.

Green Advertisement

Corporate environmental advertisement typically contains three elements. First, the advertisement presents a general statement of corporate concern for the environment. Second, the advertisement describes how the corporation has initiated a number of activities to demonstrate its concern and commitment towards environmental improvement. Third, the advertisement provides a description of specific environmentally related activities, in which the corporation is engaged and / or outcomes for which the corporation takes credit. Whereas Chan (2004), defines green advertisement as claims that the attributes of the advertised product or associated production process contributed to environmental protection or with other positive effects to the environment. In the study, developed a model that consisted of six dimensions in measuring the Chinese consumers' responses to green advertisement, i.e. attitudes toward the advertisement, attitudes toward the advertised product, intention to purchase the advertised product, relevance of

the advertised product to the respondents" daily lives, usefulness of the advertisement in guiding respondents to purchase the product, and perceived credibility of the advertising claim. For the purpose of this study, green advertisement was conceptualized as a uni-dimension variable based on a study. Accordingly, the definition used in this study is as an activity to influence consumers' behaviour by encouraging them to buy products that are not harmful to the environment and to direct their attention to the positive consequences of their purchasing behavior.

The result from a study by Davis (1994) found that consumers" reactions to corporate green advertisements were significantly influenced by consumers' prior perception about the corporate environmental concern. If the consumers' prior-perceptions toward corporate environmental concern had been favourable, then consumers were significantly more likely to respond positively to the green advertisement, including the advertised message, the corporate image, as well as the products from the corporate. In a study on consumers" responses to green advertisement in two major cities in China; Beijing and Guangzhou, the study found that perceived credibility of the environmental advertisement claim and the relevance of advertised product to respondents" daily lives are two most significant determinants of green purchase intention in China. The analyses of the respondents" follow-up questions further revealed that a specific and well-supported claim was very important in generating positive attitudes toward green advertisement and improving the perceived credibility of the messages.

Green Packaging

Draskovic et al. (2009) proposed that packaging is a communication tool between businesses and consumers and it is capable of attracting consumers' attention. Consumers' overall perception of packaging is a sum of individual perspective of packaging shape, size, colour, materials, and labelled information. Hence, to further understand how packaging communicates and affects consumers, it is important to investigate how consumers perceive packaging. Van Trijp (1994), in his attempt to unveil consumers" perceptions and preference for beverage containers in the Netherlands, define green packaging as to the extent consumers recognize environmental aspects in their perception of product packaging and the extent consumers consider environmental aspects in their overall preference formation.

Roberts and Bacon (1997) developed a conceptual model to explore the relationships between consumers" environmental concern and ecologically conscious consumer behaviour in the USA. One of the dimensions was related to recycling issues and purchasing decision. D'Souza et al. conceptualized green packaging as a uni-dimension variable with two measurement items in their study that investigated consumers" perceptions of green product on green purchase intention in Australia. A study on green wine packaging in the USA, he conceptualized consumers" behaviour on wine packaging as a single-dimension variable and used four items that measured consumers' behaviour on recycling. In a more recent study, it was analyzed the impact of green marketing strategies on consumer purchasing patterns in Mauritius, and developed a conceptualized model that consisted of five predictor variables. One of the predictor variables was consumers" perceptions towards green packaging, and eco-labelling was conceptualized as a

two-dimensional variable with three measurement items for green packaging and two measurement items for eco-labelling. Hence, for the purpose of this study, green packaging was conceptualized as a uni-dimension variable with reference to studies. Accordingly, the conceptualized definition of green packaging was adapted from Van Trijp (1994) definition, in which they define green packaging as to the extent consumers recognize and consider environmental aspects in their perception of product packaging and their overall preference formation.

Green Product Value

Yaacob and Zakaria (2011) conferred that in general, consumers engage in green products for the benefits of environmental improvement they live in. In some cases, direct personal benefits, such as perceived health advantages of organic foods or the energy saving of an eco-friendly air conditioner, are mostly observed. Chen and Chang (2012) inspected the roles of green perceived value, green perceived risk, and the mediating effect of green trust on the green purchase intention of information and technology products in Taiwan. The independent variable of green perceived value was conceptualized as a uni-dimension variable and was measured by five items. The definition of green perceived value in Chen and Chang (2012) study was adopted from Patterson and Spreng (1997), who documented green perceived value as consumers' overall appraisal of the net benefit of a product or service between what is received and what is given based on consumers' environmental desires, sustainable expectations, and green needs. Therefore, for the purpose of this study, the green product value was conceptualized as a single-dimension variable based on the study by Chen and Chang (2012).

Although the broad literature has acknowledged the significant effects of green products and their values or benefits on consumers' green purchase intention, a few studies have reported contradictory findings. A study by Bhaskaran et al. (2006) indicated that customers do not perceive those products produced under environmental sustainable standards as offering any distinct benefits to them and customers distrust the claims made by these organizations. In addition, these products are more expensive than traditional products and the implementation of such environmental standards on food is expensive. Green products have usually been more costly to manufacture than conventional products, and thus, they are simply more expensive for consumers to purchase. Hence, Chen and Chang (2012) suggested that companies should develop products with both green features and high-value attributes to attract consumers.

CONCLUSION

The findings of the present study confirmed that green corporate perception, eco-label, and green product value had positive significant influences on green purchase intention. The results of the study also revealed that eco-label and green product value contributed the largest in influencing consumers' green purchase intention among consumers in Sabah. In contrast, this study found that both green advertising and green packaging had insignificant impacts in influencing green purchase intention. Nevertheless, this study also suggests that future research could be conducted

by examining a particular type of green product, such as energy efficient air-conditioner and constructing eco-friendly buildings, as this study applied general green products as the object of the study. Hence, it would provide a more specific comprehension from the literature if the consumers' perception of green products would vary for different green products.

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