## Factors affecting consumers in purchasing of green cars

## M.H.S. Dilrukshi

Department of Economics, University of Colombo, Sri Lanka

The concern about green transportation has been increasing globally due to several environmental issues caused by the transport sector. Moreover, there has been a rapid increase in car usage in private transportation. This research was designed to examine consumer perceptions towards green cars. The general objective of the research was identifying the important factors that affect consumers' purchasing of green cars. The study adopted the Exploratory Factor Analysis (EFA) for analysing the variables identified through a literature review. The study found that salient features of a car, such as ecofriendliness, performance and the outlook of the car, influence the consumer perceptions regarding purchasing a green car. Moreover, the study discovered that the salient features of a car which include conventional factors like power, price, efficiency, design, comfort, and fuel economy are the prominent factors that affect consumers in purchasing a green car. The impact of these salient features that shape consumers' perception of purchasing a green car is highly significant as it explains 35% of the total variance of the model. Though eco-friendliness is the component which explains the second highest variance from the total variance, the study found that the impact of eco-friendly features towards purchasing green cars is comparatively low. The study indicates that the level of awareness about green transportation and environmental concern among Sri Lankan consumers is low. Therefore, educating the public about the necessity of moving towards green transportation is essential. The variables included in salient features should be considered in taking initiatives to promote green cars among Sri Lankans. Strategies such as tax concessions on electric and hybrid vehicles which can make an impact on the price of green cars, and implementation of smart charging systems should be introduced to attract consumers towards purchasing green cars.

**Keywords**: consumer perception, eco - friendliness, green cars, green transportation, salient features