

Green marketing concept and consumer purchasing intention with special reference to consumer goods

D.M.Kodituwakku ¹, Dr.Kajendra Kanagasabai ²,

¹*Faculty of Graduate Studies, University of Colombo, Colombo 03,* ²*Department of Marketing, University of Colombo, Colombo 03*

Background

Today, there is a higher tendency in using “eco-friendly” or “green” products which has now created a marketing strategy to the business. Within the past three decades people have transform their buying attitudes. According to the different surveys it has been revealed that there are different factors influences the purchase intention of a green product. Current environmental dreadful conditions are ever more menacing consumer health and wellbeing globally. Therefore, consumers are becoming more sensitive in their environmental attitudes, preferences, and purchases. Therefore, Green marketing is a concept emerged in the latter half of the 20th century which is developed through the environment friendly attitude (Peattie & Crane, 2005). Green marketing activities include, manufacturing, differentiating, pricing and promoting products and services which can satisfy consumer' environmental needs (Ansor, 2013). According to Chen & Chang (2012) these green marketing efforts enhance consumer's purchase intentions.

Research Problem

Although the consumer values the green products, still there are trade – offs that occur to make a green purchasing decision. Business people have to modify their own opinions and behaviour in an attempt to address the concern of consumers. Therefore this paper has conducted to identify the influential factors on green purchasing intention. There has been many research conducted in this area, however, there is limited research worked on Sri Lankan context. This makes it important to conduct the study and identify the influential factors for consumer purchase intention towards green products (Consumer products).

Objectives

The main objective of the study is to understand the influential factors that directly influence the purchasing intention of green products and the impact of each factor. This will help the organisations to come out with the relevant improvements to increase the level of purchasing green products. In the study it was aimed to get to know the threshold price level consumers' prefer to pay for green products.

Methodology

This study was based on both primary and secondary data. The primary data were collected from the sample survey that was conducted in Panadura, comprising with 50 residents.

A standard questionnaire which was prepared according to the measures of dimensions based on extensive literature review was used to gather data which includes 25 questions which got 100% response rate from the sample. The factors under socio-demographic variables green promotion, price sensitivity, environmental concern and the amount they like to pay more to buy a green product have been considered. Four hypotheses were developed for the empirical testing. Since the primary objective of the researcher is to find out a relationship among the variables; the present study can be called as a correlational study.

The secondary data were collected from relevant journals, books and other published data.

The Correlation and Regression Models were employed to examine the proposed model as well as to test the hypotheses developed for the study by using SPSS software package.

Findings

In the study it was found that the green products have substantial awareness among customers and they are willing to pay something more on green products. The present study suggests that socio demographic variables are not found to have significant relationship with green purchase intention.

According to the results environmental concern doesn't have any significance difference with green purchasing intention of the respondents.

When considering the green promotion, the methods that tested through the questionnaire were green labeling, word of mouth, advertising using mass media and papers. Findings show that 80% of the respondents have been influenced by green promotion. From the study it was identified there is a positive relationship with price sensitivity. Majority like to pay 10% more to buy green product over the conventional good but still there is a significant presentation who do not like to pay excess amount to buy a green product. According to the regression analysis, adjusted R Squared value is 0.970 which indicates the independent variables i.e. environmental concern, green promotion and price sensitivity have a direct impact on green purchasing intension.

Conclusion

The finding of this study suggests that the companies had to concern about being greenly than they do now. Even though environmentally conscious individual might buy the environment friendly product at a higher price, majority will pay more attention on buying green products, if the organizations try to promote the green products for the same price or in between 5%-10% more of the price of the conventional goods.

Result of this study will augment new understanding on the profile of Sri Lanka consumers in purchasing green product. Since there are limited studies conducted within Sri Lankan context, the findings of this study will be beneficial to organizations, especially those selling green products by understanding green consumers' buying patterns.

References

Agyeman, C. (2014). Consumers' buying behavior towards green products: an exploratory study. *International journal of management research and strategy*, Vol. 3, No. 1,(January 2014).

Ali, A. and Ahmad, I. (2012). Environment Friendly Products: Factors that Influence the Green Purchase Intentions of Pakistani Consumers. *Pakistan Journal of Engineering Technology & Science. Contents*, Vol. 2,(No 1), pp.84-117.

Ali, A., Khan, A. and Ahmed, I. (2011). Determinants of Pakistani Consumers' Green Purchase Behavior: Some Insights from a Developing Country. *International Journal of Business and Social Science*, Vol. 2(No. 3 Special Issue - January 2011).

Ansar, N. (2013). Impact of Green Marketing on Consumer Purchase Intention. *Mediterranean Journal of Social Sciences*.

Boztepe, A. (2012). Green Marketing and Its Impact on Consumer Buying Behavior. *European Journal of Economic and Political Studies*, 5.

Chang, C. (2011). Feeling ambivalent about going green – Implication for Green Advertising Processing. *Journal of Advertising*. Winter 2011.Vol. 40, Issue 4 pp 19-31.

Chen, S. Y. & Chang, S.C. (2012) Enhance green purchase intention: the roles of green perceived value, green perceived risk and green trust, *Management Decision*.50 (3) pp. 502-520.

Gan C., Wee H.Y., Ozanne L.& Kao T. (2008) Consumer's purchasing behavior towards green products in New Zealand. *Innovative Marketing*, Vol. 4, issue 1 pp. 93-102.

Kotler, P. (2009). *Marketing management*. 13th Edition. Englewood Cliffs, N.J.: Prentice-Hall.

Laroche, M., Bergeron, J., & Forleo, B., G. (2001) Targeting consumers who are willing to pay more for environmentally friendly products, *Journal of Consumer Marketing*, 18 (6), pp. 503-520.

Laroche, M., Bergeron, J. and Barbaro-Forleo, G. (2001). Targeting consumers who are willing to pay more for environmentally friendly products. *Journal of Consumer Marketing*, 18(6), pp.503-520.

Peattie, K. (1992). "Green marketing", Pitman: London

Paettie, K. & Crane, A. (2005) Green marketing: legend, myth, farce or prophecy?, *Qualitative Market Research: An International Journal*, 8 (4), pp. 357-370.

Polonsky, M. (n.d.). *Green Consumerism Article*. [online] Uow.edu.au. Available at: <http://www.uow.edu.au/~sharonb/STS300/market/green/article2.html> [Accessed 8 Nov. 2014].

Samarasinghe, D. (2012). Green Home Concept: Consumer's Perception towards Green Homes in Sri Lanka. *Indian Journal of Research*, Volume : 1(Issue : 10).

Vazifehdoust, H., Taleghani, M., Esmailpour, F., Nazari, K. and Khadang, M. (2013). "Purchasing green to become greener: Factors influence consumers' green purchasing behavior". *10.5267/j.msl*, pp.2489-2500.

Wannimayake, W.M.C.B. and Randiwela, P. (2008) Consumer attractiveness towards Green Products of FMCG sector: An empirical study, *Oxford Business and Economics Conference Program* pp.1-19 June 22-24.