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Consumer Attitude and Buying Intention of Eco-Friendly Products

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Abstract

In recent years, companies have been under increasing pressure to communicate their sustainability performance to its stakeholders. The corporate social responsibility is one of the important factors which may influence the market performance of a business concern. Environmental issues in these days are very common to be addressed and communicated through their offerings in terms of eco-friendly products to the communities in which it operates.

Purpose

As awareness of the environmental issues and its impact on our life increases, more people are willing to change their behaviors and purchasing/consumption habits in order to help improve the environment.

Design/Methodology/Approach

The consumer's buying decision of fast moving consumer goods were measured just after completion of the purchase process at the deals store. The consumers were contacted personally and their responses were recorded with the help of a structured questionnaire.

Findings

The paper measures the buying motives and buying intentions of the consumers and their awareness level of eco-friendly products.

Research limitations/implications

This paper will make contribution in the product designing and positioning of the consumer goods. Indian consumer market is one of the largest markets of the world and designing and positioning of a eco-friendly product as per the expectation of the consumer will definitely help them to succeed in the globally competitive market.

Original Value

This paper provides the empirical support to design the consumer goods as per the consumer expectations and desire before launching it in the market.

Keywords: Green Product, Buying Intention, Green advertisement, Eco-Friendly.

Introduction

Consumerism and environmental friendly behavior got momentum between 1960 to 70. A consumer who was aware about their rights was seen more concerned for environmental protection and hence tended to consume eco-friendly products (Bohlen et al. 1993). The demand for green products is not same across all product segments (Ottman, 1993 and Peattie, 1992). Green marketing has become more significant from the last couple of decades and green consumerism is becoming more popular and common worldwide.

Review of Literature

Prothero, (1990) described that social marketing concepts were prominent before green marketing issues, and Consumer attitude and belief towards eco-friendly products is influenced by social and economic factors. Johnson et al. (2004) reported that consumer age is a strong determinant of consumer buying behavior and buying patterns of green products, Johnson et al. (2004) also confirmed that old people are tended to spend more time on reading and recycling in comparison to young people who are more willing to participate in outdoor activities like joining the campaign for environment protection. Moschis & Churchill, (1979) reported that consumer behaviour is influenced by direct and indirect skills, direct consumer skills are related to the activities of consumption and purchase decisions and indirect skills include consumer awareness, knowledge, attitude and other influencing factors that affect buying decision.

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Green movement and green consumerism gets momentum with the activeness of socially conscious consumers (Menon, Chowdhary and Jankorich 1999, Sivadas 1997). Grant (2008) reported that business houses are contributing in green movement by introducing green marketing practices such as; reducing the impact of production, manufacturing and energy usage on the environment. Firms can use green marketing initiatives as a competitive advantage (Han, Hsu and Sheu 2010).

Steg and Vlek (2002) found that the consumer who are young and having high income are using green products in comparison to those who have low income and are old. D'Souza et.al. (2007) reported that there is significant impact of environment on consumer buying behavior. While Young et.al (2010) reported that consumer green consumption behavior is not easy to understand and predict it is very complex. Baker and Ozaki (2008) reported that consumer attitude is based on their belief which leads to intention and final buying decision. These studies confirmed that consumer attitude is considered as a vital factor for buying decision of a product or service, these factors are belief and knowledge about the product/service. If a person believes that by performing particular behaviour, he/she can contribute in a positive or negative manner to the society, this evaluation can affect person's attitude. Besides that, the general knowledge about a product can change person's attitude towards that concept (Alena & Bilal, 2014). Affective Behavioral Cognitive (ABC) model of attitudes stresses on the interrelationships between knowing, feeling, doing or affect, behavior and cognition. The affect category explains as the emotions and feelings of people towards an object, for instance, a product. Behavior relates the actions and intentions of attitude towards an object or product which can be favorable or unfavorable and cognition can be explained as the beliefs of a consumer has for the attitude object which be negative or positive (Solomon et al., 2010). The consumer attitudes affect their thoughts and feelings and thus influence behaviour such as purchasing behaviours (Picket-Baker and Ozaki, 2008, Ajzen, 2005.). Consumer past experience of the green products results to positive or negative towards the future behavior of a consumer whether to purchase the eco-friendly products or not this helps to retain them if the performance of a product/service is as expected. Behavioural intention is determined by the attitude of a consumer towards the product/service (Ajzen & Fishbein, 1980). Consumer intention and actual behavior may not be the same and gap between intention and actual behavior is to be addressed.

Consumer attitude and Theory of Planned Behaviour

Researchers have shown the importance of attitude in predicting behavior in the TPB. Some researchers have argued that attitudes can directly influence behavior without behavioral intention or subjective norm (Albrecht & Carpenter, 1976; Manstead, Proffitt, & Smart 1983) and that attitudes are the most consistent predictor of green purchasing

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behaviors (Schlegelmilch et al., 1996). However, the relationship between attitudes and environmental behavior has shown mixed results. In some research, attitudes have a significant relationship with environmental behaviors, but, in other research, attitudes do not explain significant amount of variance in predicting such behaviors.

Subjective Norm

An attitude refers to a personal factor, subjective norm can be categorized as social factors that influence an individual's behavior. Subjective norm refer to a person's perceived normative expectations of others in the social environment; this perception may or may not be consistent with others' actual opinions regarding what the person should do. Similar to attitude, subjective norm is formed by several sets of normative beliefs. These beliefs are concerned with the person's perception regarding the likelihood of approval or disapproval from important individuals or groups with respect to performing a given behavior. These others can be the person's parents, friends, or members of social groups that the person wants to join. The strength of each normative belief is multiplied by the person's motivation to comply with the reference group's opinion. Subjective norm is attained from the sum of the results across a number of salient referents.

Behavioral Intention

Attitude toward green products' may relate to attitude toward purchasing of green products, but these two attitudes are not the same; attitude toward green products and attitude toward purchasing green products are consistent only in terms of the target class (green products). They lack appropriate consistency because the former attitude does not include an action element (buying), while the latter does.

Theory of planned behavior has been widely applied in consumer behavior settings, this theory has succeeded in predicting and explaining diverse behaviors, such as voting choices, weight loss, smoking cessation, and committing traffic violations (Ajzen (1991) and Conner and Armitage (1998)).

Product Quality

The American Society for Quality Control defines quality as "the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs" (Kotler, 2009). Product quality permits to satisfy customers' expectations (Ottman 2002).

Packaging

Consumer buying decision is based on the information mentioned on product packaging. Packaging plays an important role in consumer buying decision as it attracts a consumer. Many retailers such as L'Oréal, Procter and Gamble are investing more and more money in the production of eco-friendly products and reduced the size of its packaging or concentrating to save money on the packaging or for example instead of selling toothpaste in a cardboard box marketers sell it just with the tube. (Solomon et al., 2010).

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Price

The price of eco-friendly products are more expensive than the conventional ones (Chang, 2011), D'Souza et.al (2007) reported in general consumers are price sensitive but in case of green product consumption and environmentally committed consumers are not price sensitive. Product price is identified as a barrier of consumer attitude towards green values and green products (Young et.al 2010). Vlosky, Ozanne & Fontenot (1999) reported that the consumers who were concerned with environmental issues are likely to pay high prices for eco-friendly products in comparison to those consumers who were not concerned with environmental issues. However, Hansla et. Al (2008), reported that consumer with positive attitude towards environmental values is not an indication to pay high price for eco-friendly products.

Promotion

Promotion activities includes; sales promotion, advertising, sales force, public relations and direct marketing. Promotion of eco-friendly products contribute to consumers' awareness of the green alternatives. These elements help the consumers to know where the environmental friendly products are. Advertising encourages consumers' purchase decisions because it develops eco-friendly products' concern and the willingness to buy is important as well as where to buy it.

Place

Firms decide the most effective outlets through which to sell their products and how best to get them here (Blackwell et al, 2006).

Green Consumer

The effective and efficient use of the natural resources and preservation of it has led to consumers' segments to form green consumerism (Solomon, 2010).

Past studies confirmed that environmental friendly consumers are ready to pay high prices for green products; they are looking quality products at good prices. Green product market is growing globally and environmental conscious consumers across all age group are influencing the business activities, in this context it is important to analyze the attitude of the consumer towards eco-friendly products. On the basis of the past studies following hypotheses and objectives are framed:

Hypotheses**Ho1**

There is no significant relationship between consumer attitude and purchase decision of green products.

Ho2: There is no significant relationship between product quality and consumer satisfaction.

Objectives of the Study

The objectives of the study are as follows:

1. To analyze consumer attitude towards consumption of green products.
2. To examine consumer attitude towards environmental issues.
3. To find out the relationship between attitude towards environmental issues and consumption pattern of green products.

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Methodology

In order to measure consumer attitude towards environmental issues and consumption pattern of green products a tool was adopted from (Chan, 2001; Taylor & Todd, 1995). In the first section consumer intention to purchase green products in future was measured with the help of eight items; three items were about consumer intention to purchase green products in the future (PI), for the purpose of personal use these items are (1) I like the idea of purchasing a green product; (2) Purchasing a green product is good; and (3) I have a favorable attitude toward purchasing a green version of a product. The perceived subjective norm toward green product purchasing (SN) was assessed with the help of these two items: (1) most people who are important to me would think I should purchase green products and (2) most people who are important to me would think it is good for me to purchase green products. The perceived behavioral control (PBC) in green product purchasing was measured on three items; (1) Whether or not I will purchase green products for personal use over the next three months is entirely up to me, (2) I have complete control over the number of green products that I will buy, (3) whether or not I will purchase green products is completely under my control. Environmental concern and environmental knowledge It was measured on seven-point Likert-scale developed by (Ajzen, 1991) ranged from (*strongly disagree* --- --- --- --- --- *strongly agree*). The respondents were measured to indicate their general concern about the environment (EC) and their perceived environmental knowledge (EK). The environmental concern was measured using a 11-items and 13- items developed by (Bohlen et al. 1993) were adopted to measure the environmental knowledge (EK). More than 150 questionnaires were distributed amongst the students of the Doon University, Dehradun and 121 were found suitable for analysis, rests were rejected due to incomplete information.

Reliability of the Scale

The soundness of the scale was analyzed with the help of Cranach's Alpha and it was found that the reliability of the both the scale used for data collection was significant (Table-1).

Table-1
Reliability of the Scale

Instrument	Cronbach's Alpha	N of Items
Attitude towards Environment	.752	24
Purchase Intention of Green Products	.499	8

Sample Profile

Majority of the respondents are young and highly educated with middle income group and belongs to agriculture occupation, majority of the respondents are female & unmarried and coming from middle size family group (Table-2).

Table-2
Sample Profile

Demography Factors	Category	Percentage
Age	Up to 20 years	17
	21 to 25 years	50
	25 and above	33
Education	Under graduate	6
	Post graduate	64
	Other (Professional)	30
Gender	Male	35
	Female	65
Income (Family)	Upto Rs20000	12
	Rs20001 – 40000	8
	Rs40001 – 60000	8
	Rs.60001- 80000	22
	Rs.80001 - 100000	19
Occupation (Family)	Rs. 100001 and above	31
	Service	22
	Business	8

	Agriculture	65
	Professional	5
Marital Status	Married	27
	Unmarried	73
Family Size	Upto three members family	15
	Three to five members family	64
	Five and above members family	21

Results

Consumer intention to purchase green products was measured with the help of three variables; purchase intention (PI), subjective norm (SN), and perceived behavioral control (PBC). The mean value of PI was 20.04 with 1.94 SD and the mean value of SN was 10.60 with 3.61 SD and the mean value of PBC was 17.13 with 4.19 SD. The another scale to measure consumer attitude towards environment concern (EC) and consumer knowledge about environmental issues (EN) was also measured and the mean value of EC was 58.75 with 10.50 SD and the EK was 65.39 mean value and 11.99 SD (Table-3).

Table-3

Scale Statistics					
	Purchase Intention	Subjective Norm	Perceived Behavioral Control	Environmental Concern	Environmental Knowledge
Valid Number	121	121	121	121	121
Missing	0	0	0	0	0
Mean	20.0413	10.6033	17.1322	58.7521	65.3884
Std. Deviation	1.93820	3.61128	4.18916	10.50419	11.98567

Relationship between Purchase behavior and General Environmental

The relationship between consumer purchase behavior and environmental issues was analyzed and it was found that there is a significance relationship between environmental concern, environmental knowledge and consumer subjective norm at 0.01 level of significance. Consumer family size was also found significant relationship with subjective norms at 0.05 level of significance, this confirms that consumer buying decision is influenced

by their family Young et.al 2010). Consumer age was found significant relationship with perceived behavioral control at 0.01 level of significance, the finding confirms that young consumer spend more on organic products (Steg and Vlek 2002) and family size was found significant negative relationship with perceived behavioral control at 0.05 level of significance, this indicates that if family size small the consumption of green products will be high, this may be because of low income of the respondents (Table-4).

Table-4

Relationship between Purchase behavior and General Environmental

Sl.	Variables	Purchase Intention	Subjective Norm	Perceived Behavioral Control
1	Environmental Concern	.131	.542**	.131
2	Environmental Knowledge	.156	.277*	.130
3	Age	-.022	.048	.278**
4	Family Size	.038	.204*	-.189

** Correlation is significant at the 0.01 level (2-tailed), (**p<.01).

* Correlation is significant at the 0.05 level (2-tailed), (*P<.05).

Demography and Purchase Intention

Consumer age, family size, environmental concern and environmental knowledge is the determinants of green products, these variables

contribute 36% in the buying decision of a green product (Table-5).

Table-5
Demography and Purchase Intention of Green Products

Variable	Beta	t	F	R ²
			16.630***	.364
Age	.166	2.187*		
Family size	.239	3.128**		
Environmental Concern	.568	6.741***		
Environmental Knowledge	-.001	-.011		

***p<.01, **p<.05, *p<.10

Dependent Variable: Subjective Norm

Predictors (Constant): Environmental Knowledge, Age, Family size, Environmental concern

Conclusion

It can be concluded on the basis of the results of the study that:

1. Age and family size is having significant relationship with environmental issues.
2. Subjective norms were found as influencing factor for consumption/buying of green products. The finding confirms that consumer buying decision is affected by other peoples' opinion and experience in the society, reference group is a group or a person that influence significantly in an individual's behavior (Bearden & Etzel, 1982).
3. Marketers have to design their products targeting the age and family size of the consumer.
4. Consumers who are environmentally concern are more prone to use green products.

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