

Determinants of Green Purchasing Intention: An Empirical Approach

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ABSTRACT

Green practices refer to actions that protect the environment and/or products made with little environmental harm because they are produced in an environmentally and ecologically friendly way. . But this context of research has received less research attention in Asian countries. Data for understanding the determinants of green purchase intention was gathered from a sample of 200 respondents. Analysis revealed that Attitudes toward Green Purchase, Social Influence and Health Consciousness significantly influences purchase intention. Therefore companies must develop and implement appropriate emotional green branding strategies and marketing plans effectively and strategically to encourage positive sales of green products, as there is an increased demand for green products in the Indian market

Keywords: *Green marketing, Purchase intentions, Consumer behaviour.*

I. INTRODUCTION

One of the chronic and deep challenges faced in the twenty-first century is the deterioration of ecology and environment. Personal consumption, and in particular, overconsumption, is a critical factor contributing to the problem (Tanner and Wölfing Kast, 2003). The adoption of green practices across industries is a growing area of interest around the world. Green practices refer to actions that protect the environment and/or products made with little environmental harm because they are produced in an environmentally and ecologically friendly way (Tzschentke et al., 2004, 2008). Green marketing activities involve developing, differentiating, pricing, and promoting products and services that satisfy customers' environmental needs without a hurtful influence on the environment. If companies would like to launch their green products, green marketing plays an important role in determining the number of sales made. Green marketing can not only provide a differentiation strategy by creating environmental needs, but also reshape marketing rules in the market. During the past decade, many leading global companies have started developing green products, and the number of individuals willing to embrace green purchasing has also increased considerably. However, this increased willingness has not been found to translate into action (Young et al., 2010). Several studies have reported a weak relationship between consumers' expressed positive attitude towards green purchasing and their actual purchase behaviour (Tanner and WölfingKast, 2003; Vermeir and Verbeke, 2006). Consumer green purchase behaviour has been the topic of significant research in developed countries. But this context of research has received less research attention in Asian countries. In the Indian context, green purchasing is a relatively new term and majority of earlier studies on Indian green consumer behaviour; have focused on observing selected determinants and consequences. The

purpose of this study was to examine key determinants of green purchase intention in order to help formulate appropriate management strategies regarding future green initiatives.

II. REVIEW OF LITERATURE

Attitude about green purchase is defined as an evaluating object of consumer's purchase intention (Ajzen, 2001; Ajzen and Fishbein, 2000). Thanika Devi Juwaheer et al(2012) by sampling 150 respondents in Mauritius found that most consumers displayed a great interest towards protection of the environment and they are strongly concerned about the environment and its degradation. They also found an overall positive correlation between effective green marketing strategies and customers' purchasing patterns for green products. Robin B. DiPietro, Yang Cao and Charles Partlow (2013) reported female customers and people with higher education were more conscious regarding green practices.

Gary Akehurst, Carolina Afonso and Helena Martins Goncalves (2012) found that psychographic variables, with emphasis on perceived consumer effectiveness and altruism, are more relevant than socio-demographics in explaining environmentally conscious consumer behaviour (ECCB). Consumers with a higher level of ECCB have shown higher green purchase intention (GPI). Yu-Shan Chen and Ching-Hsun Chang (2012) proved that perceived value would positively affect green trust and green purchase intentions, while green perceived risk would negatively influence both of them. Also, they demonstrated that the relationships between green purchase intentions and their two antecedents – green perceived value and green perceived risk – are partially mediated by green trust. Yatish Joshi and Zillur Rahman (2015) study results indicated that the variables under study predicted green purchase behaviour of young educated consumers of Delhi in the following descending order: social influence, attitude towards green purchase, perceived environmental knowledge, recycling participation, ecolabelling and exposure to environmental messages through the media. Yiming Tang, Xiucun Wang and Pingping Lu (2013) through their study proved that

Consumers' environmental concern, perceived effectiveness belief and functional value positively affect their attitude toward such products. Consumer attitude positively affects purchase intention. Consumer attitude fully mediates the influence of environmental concern, and partly mediates the effect of perceived effectiveness belief, and functional value on purchase intention. Consumers' awareness of government policy is not associated with attitude or purchase intention. The green purchase behavior of an individual can be assessed effectively by Green Perceived Intention. Prior research clearly indicates that buying proposition has an affirmative impact on the green purchase behavior of consumers (Beckford et al., 2010; Chan 2001). According to Bandura (1986), perceived consumer effectiveness captures the confidence that individuals express in their ability to plan and execute a specific course of action and to accomplish a task or solve a problem, and therefore it is directly related to self-esteem, locus of control and pro-social development. Health conscious consumers are aware and concerned about their wellness and are motivated to improve and/or maintain their health, and quality of life to prevent ill health by engaging in health behaviors and being self-conscious regarding health (Newsom et al. 2005; Kraft & Goodell, 1993; Plank & Grould. 1990; Gould. 1988

III. PROBLEM STATEMENT

During the past to decades many firms have started developing green products, and the number of individuals willing to embrace green purchasing has also increased. But this increased willingness has not been found to translate into a concrete action (Young et al., 2010). There has been strong substantiation of previous studies which observed a feeble relationship between consumers' expressed positive attitude towards green purchasing and their actual purchase behaviour (Tanner and WölfingKast, 2003; Vermeir and Verbeke, 2006). Hence it is essential that environmental considerations of a consumer have to not necessarily play a major role in consumers' purchasing decisions and people generally overlook the environmental influence of their purchases (Mohr et al., 2001)

Consumers' positive attitude towards green products does not always translate into action, so attitude alone is not always the best determinant of consumers' green purchase behaviour. To have a proper understanding of consumers' green purchase behaviour, it is vital to inspect the other likely predictors of such behaviour. When these determinants are examined through a broad research, suitable steps can be taken to motivate consumers to actually purchase green products. As India is one of the biggest consumer markets and has great potential for green products, knowledge of predictors of green purchasing may help in development of appropriate marketing strategies to address consumers' attitude-behaviour gap thereby increasing the purchase of green products. Madurai is one of the important cities in Tamilnadu and home to people from diverse backgrounds and cultures. This makes Madurai a good starting point towards developing a sustainable market in India.

IV. RESEARCH METHODOLOGY

To gather the data for understanding the determinants of green purchase intention, a sample of 200 respondents were asked to participate in a self-administered questionnaire. The population for the current research is the users of Green Products and the current study utilizes a non-probability sampling technique that is convenience sampling. Convenience sampling is a sampling technique that obtains and collects the relevant information from the sample or the unit of the study that are conveniently available (Zikmund, 1997).

The targeted population of the study consisted of customers who are above 18 years in Madurai district. The survey was carried with the respondents in specific organic shops hypermarkets and supermarkets across Madurai city. The internal consistency of the questionnaire was tested through reliability analysis using Cronbach's alpha. The value of Cronbach's alpha was found to be above 0.70 for all the constructs. The questionnaire comprises of two sections. The first part covers the demographic characteristics and the second part covers the green purchase intention and its determinants. The study constructs consisted of 27 likert scale items based on a five point scale and were developed from earlier literature works (Michaelidou & Hassan (2008), Chan (2001), Kim (2005), Lee (2008), Li (2007).. Relevant statistical tools such as reliability test, descriptive statistics, percentage analysis, and multiple regressions were used to analyze the data.

4.1. Objectives of the study

- 1) To determine the key antecedents influencing respondent's intention towards purchasing green products
- 2) To identify the most important determinant of green purchase intention

4.2 Hypothesis

The research hypotheses developed for the present study are:

H1: Attitude towards the environment is positively related to purchase intention

H2: Social Influence is positively related to purchase intention

H3: Health consciousness is positively related to purchase intention

H4: Perceived consumer effectiveness is positively related to purchase intention

H5: Attitude towards green purchase is positively related to purchase intention

V. ANALYSIS AND DISCUSSION

It is clear from table 1 that majority (66.0%) of the sample participants are female. Majority (55.5%) of the respondents are below 40 years of age. Further, 49.5 per cent of the respondents are having an income of less than Rs 15001 – 25000 and 42.5 per cent of the sample respondents are graduates.

Table 1: Demographic Profile of the Respondents

Respondents Profile		Frequency	Percentage
Gender	Female	132	66.0
	Male	68	34.0
Age	Less than 40	111	55.5
	Above 40	89	44.5
Income	Less than 15000	75	37.5
	15001 - 25000	99	49.5
	Above 25000	26	13.0
Education	Upto School	37	18.5
	Graduate	85	42.5
	Post Graduate	38	19.0
	Others	40	20.0

5.1. Descriptive Statistics of the Study Constructs

Table 2 displays the reliability, mean and standard deviation of the constructs. The Cronbach alpha values exceed the minimum limit of 0.70 (Nunnally, 1978). Therefore the measures have an acceptable level of reliability.

Table 2: Descriptive Statistics

Constructs	Cronbach alpha	Mean	Standard Deviation
Attitudes toward Green Purchase	.81	3.89	.612
Perceived Consumer Effectiveness	.86	3.62	.513
Health Consciousness	.74	3.65	.719
Attitudes toward the Environment	.73	3.21	.431
Social Influence	.77	3.88	.712
Purchase Intention	.82	4.01	.553

From table 2 it is also evident that the determinant Attitudes toward Green Purchase (M = 3.89) by has the highest mean value followed by Social Influence (M=3.88) and Health Consciousness (M =3.65).

Table 3: Effect of independent variables on purchase intention

Dependent Variable	Independent Variables	Standardized β	R ²	F Value
Purchase Intention	Attitudes toward Green Purchase	0.339*	.448	31.667*
	Perceived Consumer Effectiveness	0.211		
	Attitudes toward the Environment	0.412		
	Social Influence	0.332*		
	Health Consciousness	0.336*		

Significant at five per cent level

A multiple linear regression analysis was carried out to determine the strength of the relationship between multiple independent variables (Determinants of Purchase Intention) and a single dependent variable (Purchase Intention). From table 3, the significantly influencing independent variables on Purchase intention are Attitudes toward Green Purchase ($\beta = 0.339$, $p < .05$), Social Influence ($\beta = 0.332$, $p < .05$) and Health Consciousness ($\beta = 0.336$, $p < .05$).

The F-statistics of 31.667 is significant at the 5% level indicating that this is a highly significant relationship. The three significant determinant dimensions explain the variance in overall brand equity by 44.8 %. From the Table 3, it is found that Attitudes toward Green Purchase ($\beta = 0.339$) is the most influential factor followed by Health Consciousness ($\beta = 0.336$).

VI. RESULTS AND DISCUSSION

The findings provide some interesting clues regarding customers' perceptions on environmental concerns and green products.

Attitude towards green purchase is the strongest factor that has positively influenced their purchase intention. The present research work confirmed that a person who has some concern for the environment would have a stronger preference in purchasing a green product. Hence executives has to develop and implement appropriate emotional green branding strategies and marketing plans effectively and strategically to encourage positive sales of green products, as there is an increased demand for green products in the Indian market. Regarding the relation between Health consciousness and GPI, the higher the level of health consciousnesses, the higher GPI appears to be, which means that the more health conscious consumer has a greater propensity to purchase products which are more environmentally friendly Results also indicated an higher mean value score for social influence. Therefore, there is a powerful urge for companies to promote green branding, eco-labelling and green packaging strategies among the society and key opinion leaders in order to encourage a greener pattern of consumption among consumers in Madurai city. Hence, business executives should host workshops and seminars so as to educate customers on environmental protection and environmental-friendly products. With this knowledge, managers could develop the right positioning strategies and an adequate marketing programme after

evaluating the attractiveness of the identified green segments. In addition to the regular benefits, environmental and social benefits must be present in order to motivate the consumer to buy.

Marketers should emphasis on providing clear information and awareness about green products and eco-labels to promote consumer familiarization with products and enhance their knowledge of green products. More than to educate and advise consumers of the environmental problem, the focus of the communications should be on the environmental features, advantages and benefits associated with the product and its real impact on ecological preservation.

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