

Understanding Buying Behaviour for “green” products

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Contents

Introduction.....	3
Literature Review.....	3
Analysis and Recommendations	7
Bibliography.....	11

SAMPLE

Introduction

The recent environmental degradations have globally aroused consciousness among the people with regards to sustainability. People are not only focusing on conservation of energy and plantation of trees but also opting for environmental friendly products that is, the products which are ethically manufactured and its usage does not harm the environment. These are known as the “green” products (Figueiredo & Guillén, 2012). The companies worldwide are also demonstrating high social responsibility towards the society by offering these green products. However, the question arises as to whether the buying behaviour determinants of consumers differ in case of green products in comparison to general products or not.

This paper focuses on understanding the buying behaviour of consumers with regards to green products by conducting an extensive literature review of prior researched papers. These secondary researches would help in developing insights about the determinants and individual motivations of people consuming green products. Hence, it would finally facilitate in recommending practical marketing aspects to companies dealing in green products to reach customers effectively. The paper would not only be helpful for companies in understanding their consumers and shape their approach and strategies accordingly but also for the students pursuing their career in marketing to gain practical knowledge about the heuristic consumer behavioural patterns and the ways to deal with it.

Literature Review

According to a research study initiated by Schlegelmilch, Bohlen and Diamantopoulos (1996), the traditional segmentation variables comprising of socio and demographic factors, and personality aspects are of not much use when it come to determining the behavioural pattern of green consumers. The research suggests a close association of environmental

consciousness with the green purchasing behaviour of consumers (Schlegelmilch, Bohlen, & Diamantopoulos, 1996). However, the potency of this association is deemed to depend on people, purchasing domain conceptualisation and the product type in question (Schlegelmilch, Bohlen, & Diamantopoulos, 1996).

On the other hand, Kaufmann, Panni and Orphanidou (2012) developed an integrated conceptual framework based on their research. It consists of independent variables and mediating variables that influence the dependent variable that is, the consumer purchasing behaviour (Kaufmann, Panni, & Orphanidou, 2012). The independent variable that the study revealed encompasses knowledge of the environment, environmental awareness, concern and attitude regarding the environment, altruism, perception about safety related to product usage and availability of product information as well as the product, perception about consumer effectiveness, collectivism and fair practices in trading which includes adulteration of product, customer concern, unreasonable pricing, black marketing, falsifying advertisements and deceiving packaging. Then again, the mediating variables are the demographic aspects including age, gender, income, education, ethnic origin and occupation (Kaufmann, Panni, & Orphanidou, 2012).

In order to determine the factors that influence the green purchasing behaviour Kast and Tanner (2003) initiated a research study on the Swiss consumers. The study conducted a regression analysis and the results revealed that green purchase is encouraged by the consumers' optimistic attitude towards protection of environment, transparency of trade, proximity of products and accessibility to action-related knowledge (Tanner & Kast, 2003).

While on the other hand, the factors which act as impediment to green purchases includes perception of time constraint and shopping frequency at the supermarkets. Moreover, it is observed that the factors like moral thinking, money and socioeconomic aspect of the consumers have no linkage with the green purchase behaviour (Tanner & Kast, 2003).

On the other hand, a study by Wahid, Rahbar and Shyan (2011) on Penang's green volunteers (people who actively participate in environmental matters) demonstrated that consumer's green buying behaviour is considerably impacted by social factors, environmental concern, knowledge about green products, specific knowledge about the environment, environmental label and the level of income. The impact of social factors on the green purchase behaviour of consumers was also observed by Ling, Lee, Yeow and Hasan (2012) in their research study conducted on the people of Malaysia. The study deployed regression analysis to determine social influence, pro environmental behaviour and price sensitivity to be the three factors that highly influences the green purchasing behaviour although pro environmental behaviour was deemed to be the most significant one (Lee, Ling, Yeow, & Hasan, 2012).

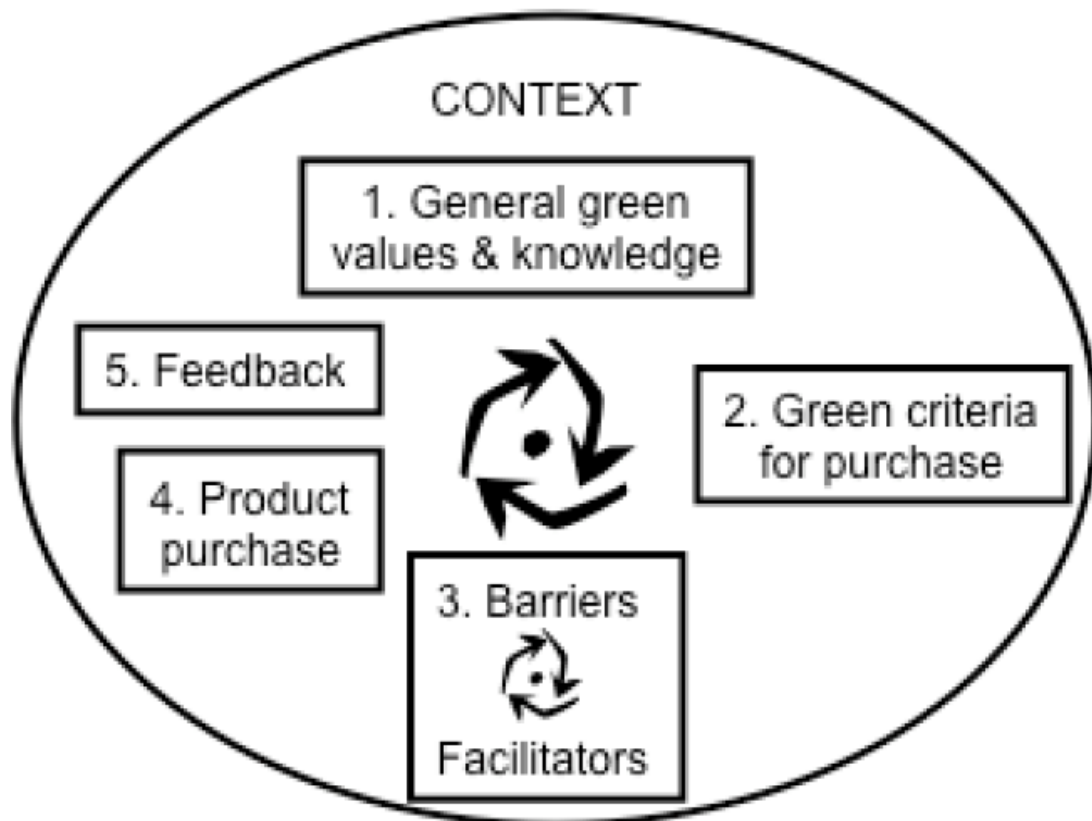
According to a study by Chan (2001) initiated on two Chinese cities, it was observed that the green purchasing attitude of consumers was significantly influenced by the consumer's orientation towards the environment, extent of collectivism, ecological impact and marginally the knowledge regarding ecology. This green purchase attitude impacted the green purchase behaviour based on the mediating factor of green purchase intention (Chan, 2001). Later, Chan and Lau (2002) conducted a study on a cross-cultural setting considering Chinese and Americans to observe the applicability of the theory of planned behaviour on the green purchase behaviour of consumers. The study uncovers that in comparison to American consumers, the green purchasing intention of Chinese consumers are more impacted by both subjective norm and perceived behavioural control (Chan & Lau, 2002). While effective conversion of green purchase intention to purchase behaviour was found in the American sample. Hence, it has been concluded that cultural factors as well as the environmental development background of a place influences the green purchasing behaviour of consumers (Chan & Lau, 2002).

Irawan and Darmayanti (2012) conducted a similar study on the university students of Jakarta to find environmental concern, perceptions about the seriousness of the environmental issues and perception about environmental responsibility to be the three prominent factors influencing green purchasing behaviour. However, they did not denote any gender differences regarding the factors (Darmayanti & Irawan, 2012). On the other hand, Mainieri, Barnett, Valdero, Unipan and Oskamp (1997) pointed out green buying and environmental attitude to be high in women in comparison to men. While the study by Mostafa (2007) on the Egyptian consumers entailed a contrary observation that is, men were more environmentally concerned and initiated more green purchasing behaviour.

As per a study conducted by Deloitte in association with the Grocery Manufacturers Association (GMA) in 2009 to determine green purchase behaviour of consumers, it is around 75 percent of all consumers who knows about the green products, 54 percent consumers considers sustainability as one of their decision making criteria whereas only 22 percent actually purchases it. The study also reveals that most of the green product buyers belong to the older age group with high education and income levels (GMA/Deloitte, 2009).

In a study entailed by Cotte and Trudel (2012), it was observed that consumers are keen to pay even a slight more for products which are ethically manufactured but they ask for high discounts when it comes to unethically manufactured products. The study finally revealed that companies in the present era do not require focusing much on social responsibility to impress their consumers (Trudel & Cotte, 2008). Consumers reward those companies which invest in ethical production even if it is in a small extent and these rewards are directly proportional to the effort of the company. Similarly, the study of D'Souza, Taghian and Khosla (2007) found out that consumer of green products highly prefers companies that indulge in reduction of pollution instead of profit maximisation.

Young, Hwang, McDonald and Oates (2008) investigated the common green criteria that consumer take into account while considering buying decision for a technology based product. The criteria found in the study that influenced green purchase decision encompasses environmental performance of the product (includes durability, extent of water and fuel consumption, LPG conversion, energy efficiency and ratings), manufacturing process of the product (includes recyclable, reparability and chemical substance) and second-hand availability (Young, Hwang, McDonald, & Oates, 2008). The research study led to the formation of a green consumer purchasing model consisting of five steps. It is shown as below:



Source: (Young, Hwang, McDonald, & Oates, 2008)

Analysis and Recommendations

The above literature review considered different aspects of buying behaviour of consumers in order to determine the factors and motivations that contribute to the sale of green products. It

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can be deduced from some of the previously conducted research studies that environmental consciousness or pro environmental behaviours of consumers to be the most significant determinant influence the buying behaviour. While some studies contrasted with regards to the gender differences in green buying behaviour, others stressed on the environmental awareness factor to be the independent variable and gender as merely one of the mediating factors.

It can also be deduced from the literature review that in contrast to some researches, other researchers considered social influence as one of the main factors influencing the consumer behaviour related to green products purchase. Therefore, not only educational levels but societal norms and status of the consumer also have a strong impact on the green buying behaviour of consumers. When researches were conducted on different sample group from different geographical boundaries it was also found that green buying behaviour is even impacted by the cultural differences and psychological factors.

Research studies have indicated low translation of green buying intentions to corresponding purchases among the consumers. This is mainly attributed to certain factors like time barrier and the frequency of shopping in supermarkets. Availability of information regarding green products as well as the availability of green products in the supermarket also plays a vital role in shaping the consumer behaviour towards purchases of green products.

On the part of the organisations, there has been increased stress on their corporate social responsibility (CSR) for initiating societal well being and establishing them as an ethical and sustainable organisation. However, it has been pointed out in some of the researches that consumers are not much bothered about this CSR aspect rather they prefer purchasing products of companies who invests in green production even in a small degree. Studies show that little efforts of companies can bring them higher rewards in terms of increasing consumer base and consumer loyalty.

Based on the above analysis and discussion by deducing aspects from the literature review, recommendations have been provided below for companies dealing in green products.

However, the initiatives to be taken by the companies include and are not limited to the following recommendations:

As it has been found that investment in green production by the companies can enable them to achieve high rewards from consumers, the question arises as to how to make the consumers aware of these green production initiatives. In order to solve this problem, the companies can deploy the approach of holistic marketing. This marketing approach would help the companies to communicate about their manufacturing procedure and environmental benefits of their products to the consumers effectively. When the consumers are convinced about the environmental benefits they will not hesitate in paying a premium price for the products.

On the other hand, keeping in mind “environmental concern and awareness” to be one of the main factors influencing green purchases, companies must engage in conducting awareness campaigns rather than investing in corporate social responsibilities. This awareness campaigns would facilitate in closing the gap between gender, age groups and different income groups regarding green purchases. This will consequently lead to more prospects for green products.

Moreover, considering the time barrier and frequency of supermarket shopping, the companies must take action to make the information regarding green products available through mainly personal selling initiatives. The products are also to be displayed at various parts of the retail outlets to attract the gaze of consumers.

In this era of advanced technology, it is highly recommended for the companies to engage in integrated marketing communications with the consumers using cloud computing. The companies must initiate interaction with the consumers through e-mails, online circulars or

social media marketing. This would enable the companies to understand the different consumer groups efficiently and approach them based on their lifestyle requirements effectively. As most people today seek information on the internet, the companies need to make information regarding their company's green initiative and benefits of their product available online. In addition, obtaining the feedback of the consumers only and handling them effectively matters most today as consumers hold the bargaining power. This would contribute towards improving the market position of the companies by influencing and motivating the consumers to buy green products.

SAMPLE

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SAMPLE