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## Green Awareness Effects on Consumers' Purchasing Decision: A Case of Pakistan

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# Green Awareness Effects on Consumers' Purchasing Decision: A Case of Pakistan

Muhammad Azhar Hussain <sup>a</sup>, Muhammad Fayyaz Khokhar <sup>a</sup> & Ali Asad <sup>b</sup>

**Abstract-** Consumers' awareness on products marketed in green marketing is important in guiding their purchasing decision of green products. This study aims to examine the influence of consumers' environmental concerns, awareness of green product, price and brand image on their purchasing decision of green products. A total of 300 completed responses were collected in the survey. Responses were randomly drawn from students in a university campus in the Multan, Pakistan. Their participation was purely voluntary. Results authenticated that consumers' awareness of price and brand image significantly influences their purchasing decision of green products. A person having some concern for the environment and its brand image would have a stronger preference to buy a green product. Findings could provide fruitful insights for environmental sustainability in Pakistan.

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## I. INTRODUCTION

When the concept of globalization implemented extensively in the whole world, it creates different types of problems. The one most important problem is environmental problem that affects all living things negatively. People discuss more its negative impact on the environment. According to Sevil, Yakup (2011) in 80s there were some ecological issues climate changes, global warming, pollution due to industrial product manufacturing and impact on the environment negatively. The demand for green product increases to protect the environment. The firms start to adopt green marketing strategies to preserve environment and satisfy consumer want to provide environment friendly product.

A consumer who prefers to buy environmental friendly is green consumer (Shrum et al 1995). Green marketing contains different groups of activities that facilitate and satisfy consumer wants by exchanging those products having minimal impact on natural environment (Polonsky 1994). Green awareness changes human behavior in different manners like reducing consumption and purchase those products which have no negative impact on the environment. Pakistan's corporate sector becomes a leader in the use of green marketing due to extensive awareness campaign of green marketing. There are no uses of plastic bags.

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Customer bring their own bags to purchase products from the market. They are trying to protect the environment from waste of plastic bags. Pakistan is implementing green marketing in the building development sector, constructing green buildings. In the business sector, firms that use green marketing strategies to attract their customers face low competition in the market and have benefits for long-term cost of production. The government also issues grants for those firms which are implementing green marketing for the process of development (Ottman, 2011). That opportunity provides financial benefits to the organization to utilize their resources to provide environment-friendly products.

## II. LITERATURE REVIEW

### a) Awareness of Green Product

A green product is recyclable, environment-friendly, non-toxic, manufactured by natural ingredients and chemicals having no negative impact on human beings. Consumers always prefer to purchase green products from familiar and well-known firms (Mohd. Suki, 2013). Companies are more focused on green products and through different advertisements they change the thinking of consumer purchasing decisions. Through advertising of green products, corporate companies try to build a positive image in the minds of their customers (Suki, 2001).

Awareness of green products influences consumer purchasing decisions to buy environment-friendly products. Awareness of green products plays an important role to take environment perfect and future damages reduce the impact of human beings on the environment by designing, consuming, and labeling of products. Consumers become more careful about environment preservation. According to all rules and regulations of environment safety, for example, Toyota Motor introduced environment technologies which are helpful in shaping hybrid cars (Delafrooz, 2014).

Companies use green advertisements to communicate with their green customers who prefer to purchase environment-friendly goods or products. Those customers who are traditional consumers who want to protect the environment, companies use different modes and tools to promote environment-friendly products by offering different schemes and to reduce the prices of the green products. Companies can get more benefits and enjoy the large share of the market. Consumers get different benefits from green products in

several different ways. Consumers always gave the value of personal benefits and gave the importance to that product that saves the environment by reducing pollution. These consumers support the companies and causes of making the profit of those companies.

Due to no negative impact on the environment companies use green marketing as an effective tools to attract consumer and change their purchasing behavior (Cohen, 1973). Many consumers known as green consumer who knows the importance of environment safety and protect the natural environment by growing consumptions of green product.(Yazdanifard, March-April 2014). Green product consumer reduce to use those products which are harmful for human being and damage the environment during the manufacturing , use or disposed of products or goods. Companies use different unique promotion and strategies to promote green product. Advertising provide the information to the consumer about green product and these advertising also to help to motivate and bring the change in consumer purchasing behavior positively (Carlson, 1995).

There is a strong relationship with the consumer purchasing behavior and environmental awareness. Consumer who is conscious about environment prefers to buy green product (Balderjahn, 1988). People think that natural resources are the things which are favorable for environment and these things are not harmful for human being (B.Schlegemich, 1996).

A consumer understands the creditability of a firm through its green product productions. Companies who promote green product according to consumer behavior are more sustainable in the market for competitions. Company manufactures the environment friendly product to meet customers demand (Cronin, 2011). Environment friendly product is market leader because more customer buy green product. Then demand of environmentally friendly goods or product is increasing all over the world (Wahid, 2011). Awareness of green product changes the purchasing behavior of consumer positively. They prefer to purchase green products. Consumer purchasing pattern is influence by green marketing.

Important goal of firm is sustainability in the competition. Many companies take support to promote green product to attract the customer and many companies or firm use green awareness strategies for their product promotion and also own survival companies only to use green product practice to enhance their product sale (Raska, 2012).

Green consumer gave preference to environmentally friendly products which are more easily recycle and no negative impact in the environment. Company target those customer who are different attitude and different attribute its culture and social, age and gender (Diamantopoulos, 2003).

**H2:** Green Product Awareness Influence the consumer purchasing decision.

*b) Awareness of Price*

Consumer purchasing decision is influence by price of a product. Consumers always prefer to purchase or buy those products which have low prices as compare to other product and less from market. Incase to purchase those products or goods which are environmentally friendly goods or products are more expensive as compare to ordinary products which are harmful for health and environment. The community who want to purchase the green product is small and willing to pay more for green product in premium price (Dunlap, 1991).

Development process of environment friendly products deal or concern with good safety, price and label which influence consumer purchasing behavior for environment friendly product (Chaipoopirutanna, 2011). Price of a product change with the income level of consumer. Many firms sale there product at low price to provide the benefit to their consumer and try to capture or attract new consumer that they will purchase there green product. Sometimes companies or firm increases the prices of their green product to increasing the quality, quantity, design and shape (Yazdanifard R. , April 2014).

The companies try to provide high quality product with the low price but sometimes the prices of green product is high as compared or relative to traditional environment friendly goods or products. Company try to decrease its operational and production cost to provide low price green product and try to gain more or large share in the market (Manjunath, 2013).

There are number of consumers who are willing to pay more for green products (Bang, 2000). Consumers pay more for the recycle product to perfect environment. Company earns more profit on recycled product which are eco-friendly. Customer pay premium price for environment friendly product according to price range that consumers. Normally consumer pay more for those product which increasing his satisfaction level regarding to environment (A.S., 1995).

Consumer pays more payment for electricity while it is generated from environment friendly recourses. They are different characteristics which are differentiated from other customer who pay more or extra price for green energy (Rowlands, 2002). Big hotel attract those customers who pay more on green hotel label. It support to those consumers behavior of purchasing. Companies design environment friendly product and promote it to attract those customer who pay more for these green products (G. B. , 1993). Many customer complaints for high charges of green product (Chan, 2013). Some customer ignores to buy green product due to its high price (.S.W.Chan, 2013).

Companies produced green product with the help of recycled material and gain maximum market share. Price of green product is high as compared to non green products. Many customer show interest to pay more or extra pricing for green product.

**H3:** Price Awareness of green product influence consumer purchasing decision.

c) *Consumers Environment Concern*

It is noticed by foregoing research in market that women were more concerned about environment as compare to men (Murphy et al. 1978). Normally consumer prefer or in the favored those products and services that are associated with environment. Now a days companies focused on the products development strategies to reduce the rely on energy.

Boztepe (2012) emphasized that consumers stopped to buy or consuming that products which harmful for health and environments. They prefer use disposal products. Many marketer enhance and motivate the customer through different channels and through different campaigns to move from conventional products to eco-friendly products (Golkanda 2013). With the passage of time consumer become more and more aware and conscious about the environment friendly user means he use eco-friendly products.

Consumer environmental concern show interest of consumer in environment and its impact on consumer life and surrounding. A research conducted interest of male and female about environment concern shows that female are more careful comparing with man about environment safety. Consumer show their environmental concern according to product benefits, features, characteristics criteria description on product and its claim. Bar and Gig (2006) committed person are more sensitive about environment concern and conceder liker its own personal responsibility and always participate to make sure environment safety. Consumer purchasing decision is dependent on product performance and its impact on the environment after its usage and consumer always buy those product which r environment friendly and helpful to reduce environment pollution and consumer always gave impotence to those firms which are producing environment friendly product (Manjunath 2014). Soler panel technology is helpful for business modification and also save the environment from pollution comparing with other source of energy production (Tsai 2014). Consumer gave more attention to those advertising message conveying for pollution free environment it provide information about the ecological environment of and through it company also built positive image in consumer mind (Picrle 2014). Baldwin says advertisement of environment friendly product attract consumer attention more and consumer gave more preference to purchase them. According to chase and Smith consumer gave their 70/ response to those advertising message having environment friendly

product According to a survey 82% people think that environment is urgent and immediate problem Another research shows that 69% people consider that environmental damage and pollution have negative impact on human being life (Worcester. 2013). Due to increasing environmental concern consumer gave more preference to green product for example a research shows that 27 percent adult willing to pay 25% more for environment friendly product. (Prothero 2013).

**H1:** Consumer purchasing decision is influence by environmental concern.

d) *Brand Image*

Brand is unique characteristic of a product that differentiate a product from other product of the other companies such as sign, color, label, slogan, packing (Lanekiller, 2012 third edition). Brand helps consumer to perceive a product with its label (Suki N. M., 2013). Brands those are well known in the market can help the new companies for new brand. New brand improve the sales of the company. Never sale any brand which are not awareness by consumers (Glegg, 2005). Companies made different green products to influence consumer purchasing behavior. Consumer show interest with those brands which are related to environment and consumer prefer to buy that green product brand (Ottman, 1993). Brand awareness help to built positive image in the customers mind (Adkins, 2004). Consumer perceive the role of an organization with the help of green product (Huang, 2014). Environment friendly products and brand are more popular now (Huang, 2014).

Market use eco-label on green products that label helps for the selection for environment friendly product (Wahid N. A., 2011). Eco label is symbol of environment friendly products that help the customer to identify the green products to ordinary products and thing is make the loyalty with the costumer (Wahid N.A, 2011). Consumer evaluate performance of green product and green brand on the bases of environment label. Brand influence the consumer purchasing decision (Aasker, 1992). Environment friendly label there is a positive relationship between brand and consumer in the purchasing decision for green product. Green image change customers purchasing behavior positively on hostelling business give label on hotel attract more customers (Chan E. S., 2013).

**H4:** Awareness of brand image of consumer influence their purchasing decision.

e) *Consumer Purchasing Decision*

Consumer purchasing decision is influence by different factors price, brand image, impact of product on environment on the environment and customer attachment (Suki N. M., 2013). Green consumer purchasing decision is influenced by environment friendly product (SukiN. M, 2013). Advertising campaign

also increasing and influencing consumer purchasing decision. Awareness of green automobile change in consumer purchasing behavior in city and in village level. Environmental awareness impact on consumer purchasing decisions (Delafroz, 2014). Consumer always purchase the product according to their needs, wants culture and psychology.

### III. METHODOLOGY

For this study we are using the quantitative method. The primary data has been collected from participants by using a questionnaire specifically designed for this study utilizing convenient sampling technique. The survey yielded 300 responses and after data screening, 215 usable and completed responses were used. Responses were randomly drawn from students in a university campus. Their participation was

purely voluntary. They were required to complete the survey, designed in the form of structured close-ended questions, which comprises of four sections. Section A was related on the demographics of the respondents. Section B gathered the experience of the respondent on green marketing. Section C asked the respondent their perception on environmental concerns, awareness of green product, price and brand image. Finally, section D was related to consumer purchasing decision towards green products. In this study, Section B, C and D were measured on a five-point Likert scale (1 = strongly disagree to 5 = strongly agree). The items were obtained and modified from prior research studies by Chen and Chai (2010). Statistical Package for Social Sciences (SPSS) was used to perform data analysis to check the relationship between green awareness and consumer's purchasing decision.

### IV. RESULT

Table 1 presented the descriptive statistics of the study. Majority responded were male and single as present in table 2.

*Table 1: Gender*

	Frequency	Percent
Male	150	69.8
Female	65	30.2
Total	215	100

In table 1 we the that the frequency of male is 150 total of 215 which is equal to the 69.8 percentage while females are 65 b the frequency and with the percentage of 30.2 of 100 percent.

*Table 2: Material Status*

	Frequency	Percent
Single	137	63.7
Married	78	36.3
Total	215	100

The table 2 representing the marital status of respondents, which shows that the frequency of singles is 137 out of 215 sample. The percentage is 63.7 out of hundred. While the frequency of married is 78 total of 215 and the percentage is 36.3.

*Table 3: Age*

	Frequency	Percent
Below 25 Years	67	31.1
26-30 Years	88	41.0
31-35 Years	38	17.9
Above 35 Years	22	9.9
Total	215	100

Table no. 3 is about the age of respondents. We see that the frequency of below 25 years respondents is 67 and the percentage of them is 31.1%. The frequency between 26 to 30 years is 88 with 41 %. Respondents from age 31-35 years are 38 out of 215 and percent table is 19.9. And above 35 years are 22 with the percentage of 9.9.

Table 4: Correlations

Items	Mean	S.D	1	2	3	4	5
1. Environmental Concerns	3.77	.59	1				
2. Green Product	3.90	.54	.377**	1			
3. Price	3.87	.63	.382**	.444**	1		
4. Brand Image	3.86	.70	.329**	.588**	.467**	1	
5. Purchase Decision	3.80	.78	.302**	.430**	.466**	.624**	1

\*\*.Correlation is significant at the 0.01 level (2-tailed)

The inter-relationships between the five variables were examined using Pearson correlation analysis. The average score of the multi-items for a construct was computed and the score was used in correlation analysis. Lind et al. (2010) stated that the correlations is strong when the value is  $r = 0.50$  to  $1.0$  or  $r = -0.50$  to  $-1.0$ . Results in Table 4 revealed that all variables were correlated together at the 0.01 level using the correlation test and the values ranges  $r = 0.302$  to  $r = 0.624$  and above table also shows the values of Means and Standard deviation.

## V. CONCLUSION AND RECOMMENDATIONS

This research examines the influence of consumers' environmental concerns, awareness of green product, price and brand image on their purchasing decision of green products. From the results, it is interesting to note that consumers' awareness of price and brand image significantly influenced their purchasing decision of green products. Awareness of brand image is the strongest factor that has positively influenced their purchasing decision. This study confirmed that a person who has some concern for the environment and its brand image would have a stronger preference in purchasing a green product. In this respect, it is important for marketers to develop and implement emotional green branding strategies effectively and strategically to encourage positive sales of green products, as there is an increased demand for green products in the Malaysian market (Chen and Chai 2010).

Marketers should emphasis on providing clear information about green products and eco-labels to promote consumer familiarization with products and enhance their knowledge of green products. Attractive green product message contents should be aggressively developed that would stimulate interest among the aged 20 years old and above.

Consumers should be able to easily differentiate green products from the no green based on the labels. Further, the price on the green products should be affordable to encourage purchase. Government and non-government organizations are a strong predictor that plays an important role in encouraging consumers to go green and embrace green purchasing behavior.

They could demonstrate their involvements and supports by taking initiative to expand consumer awareness of green products by creating effective green marketing campaigns or environmental-related activities such as energy conservation to contribute to a better sustainable environment. Marketers on the other hand should play their role to make sure that their products are of high quality and competitively priced. These products should be integrated with thoughtful green marketing strategies that fulfill individual needs and maximize customer satisfaction.

Future research is recommended to improve the generalizability of the sampling by expanding the sample size and carrying out survey at different geographical areas. Next, a study on the moderating effect of consumer demographics with green awareness and consumer purchasing decision is deemed relevant by using multivariate data analysis technique such as structural equation modeling technique. Level of education does not show a strong influence on consumers' environmental actions as compared to age, gender or residence.

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