

Effects of Green Marketing on Green Purchase Intentions

Muhammad Hashim*, SajjadAhamdBaig†, Muhammad Abrar‡, AfzaAfzal§ and Muhammad Mohsin**,

Abstract

Environmental friendly products and business processes are becoming very hot topic and it also becomes a priority to the Pakistan Government. It is very important especially for one of the developing country like Pakistan to understand consumer attitude towards green products, where these trends are still new. Therefore, the purpose of this study is to investigate the effect of awareness of green marketing on green purchasing intention in consumer perspective and simultaneously assess the mediating role of price consciousness and moderating role of awareness of green product. The present study has made on green products in general not to a specific brand or product category. The customer response was collected through questionnaires and convenience sampling method was employed for getting response from consumers. Correlation, Cronbach alpha, regression and mediator moderator process by Andrew F. Hayes have used in order to analyze the propose model. The findings of this study indicate that there is a significant effect of brand preferences, price consciousness and awareness of green marketing on green purchase intentions among consumers. The framework of this study will help the professional marketers and managers to understand the customer's perception and developed a customer's oriented marketing strategy

Keywords: Awareness of green marketing, Green purchase intentions, brand preferences, price consciousness

Introduction

In the age of competition, the organizations are interested to produce green products and services by running green marketing campaigns to change the customer behavior accordingly. The purpose of green marketing is to highlight all environmental issues through the efficient marketing efforts (Mahmoud, 2019). However, there is need of creating more awareness by planning green marketing strategies. American Marketing Association (AMA) has coined a new

* Muhammad Hashim, Department of Management Sciences, National Textile University, Faisalabad, Pakistan. Email: hashimscu@gmail.com

† SajjadAhamdBaig, Department of Management Sciences National Textile University, Faisalabad, Pakistan, sajjad.baig@hotmail.com

‡ Muhammad Abrar, Lyallpur Business School, GC University, Faisalabad, Pakistan

§ AfzaAfzal, Department of Management Sciences, National Textile University

** Muhammad Mohsin, College of Business Administration, Liaoning Technical University, China,

term, green marketing during seminar which is considered the most new idea (Fuiyeng & Yazdanifard, 2015). The American Marketing Association (AMA) described three aspects of green marketing: 1) product's advertisement that are assumed to be safe for environment (retailing definition), 2) advancement and product's marketing, intended to minimize the harmful impacts on the environment (social marketing definition) and lastly 3) the endeavors by firms to create, endorse, package, and claim back products in a way which are delicate or receptive to natural issues" (environments definition).

Currently, the environmental sustainability is a global issue, affecting the people and earth so badly. The conventional sources of energy are running out at a dangerous level. For the sustainability of environment, the effective production and successful promotion of products are indispensable (Dangelico & Vocalelli, 2017). Green sources are assumed tremendously essential components of providing protection to the earth. The consumer's behavior is changing rapidly, having tendency towards sustainable green products. Green products are being replaced by the traditional products due to their environmental benefits, leading towards the development of a new market for green consumerism.

The trend of green marketing has been growing form last decades (Peattie 2001; Chen and Huang 2019). Green branding traits should be communicated efficiently and buyer's decisions also affected by the green labeling. To encourage the purchase of green products, price must be affordable. Industrial differentiation works efficiently when product is affordable and well known. Many buyers are being influenced by the promotional marketing campaigns of organizations, showing commitment of company for the protection of the environment. Green advertisements of companies portray an image of environmental friendliness, having influences their customer purchase decisions. Consumers love to associate with companies that produce environment friendly products. Green marketing is the process of selling products and services, based on their environmental benefits (Sharma & History, 2018). High level of compliance is important to carry out distribution of green products.

Price-consciousness refers to the customers' willingness to buy the products on the basis of the prices which should be according to the expectation level of the customers otherwise they would be reluctant to purchase such new green products. Many times, the consumers take price as an indicator of quality and the derivations of quality that are made on the premise of price which has significantly ismpact on the actual buying decisions (Cronleyet *al.*, 2005). Price consciousness relates with the willingness of a customer to pay more

for a product to the optimum level, displaying price sensitivity and overall buying practices (Campbell, 2014).

The green purchase behavior describes the consumer's perception about the ecological qualities (air, water purity or pollution, noise) of the items during their purchases, particularly, it refers to those buying practices, related with the eco-friendly products. Purchase intention means "what consumers think, they should buy". Purchase intentions of a consumer play a significant role in executing the marketing strategies (to execute four P strategies) which help the organizations to evaluate the future demands of the product. In order to forecast the purchase intention, the organizations should communicate with the buyers to figure their future demands for the product by estimating their past experiences of product usage (Blackwell *et al.*, 2006). In Pakistan, there are a lot of environmental issues which are growing extensively due to the establishment of numerous textile industries.

Objectives of the Study

- To study the impact of awareness of green marketing on consumer green purchase intentions.
- To analyze the moderating role of price consciousness on the relationship between brand preferences and purchase intention.
- To analyze the mediating role of brand preferences between awareness of green marketing and green purchase intention.

Literature Review

Awareness of Green Marketing

Nowadays, the world is threatened by growing environmental issues which direct the people towards the use of ecological or natural resources, ultimately speeding up companies with "green" engine. The customers are turned out to be more socially responsible towards nature which motivates them to save energy by purchasing green marked items (Hartmann and Apaolaza-Ibáñez, 2009). Green marketing is defined as "the effort by a company to design, promote, price and distribute products in a manner which promotes environmental protection" (Polonsky, 2011). Awareness of green marketing is considering as a sense of accountability to improve the quality of environment while identifying the customer's needs and satisfying those needs. The features of green products and green marketing awareness plays integral role for selecting the green products (Bozttepe, 2012; Thogeresenet *al.*, 2012).

Green marketing is not only the application of four Ps on the green product, but it also guides organizations about future customer needs and preferences. When the customers would be more aware about the

growing environmental problems, it would be difficult for firms to attain a competitive edge and provide value to the customer according to the perception of customers. Customers are becoming more conscious about these issues and want to make this planet safe for the next generations (Wheeler *et al.* 2013) Therefore, it is the duty of both organizations and consumers to protect the environment by participating in the process of delivering and purchasing of green products respectively (Rahman, Barua, Hoque, & Zahir, 2017). Additionally, the marketers use the environment friendly fliers to make public aware about their green marketing activities. This can be helpful for enhancing the awareness of customers and helping the companies to boost up the sales and purchase intentions of customers (Sukiet *al.* 2015). It is observed that if customers have awareness about environment friendly products, there are more chances of customer's purchase intentions towards environmental products (Rizwanet *al.* 2013). Hence, we assume on the basis of above discussion which are as follows:

H1: There is a relationship between awareness of green marketing and brand preferences.

H2: There is a relationship between awareness of green marketing and green purchase intentions.

Brand Preferences

Desirability among several substitutes is known as preference. According to the definition of preference in terms of marketing (Oliver and Swan, 1989) Customer preference is accumulating procedure of their buying behaviors which shows that the customers will have a favorable brand preference for a recognized brand. Once a customer prefers a specific brand then the probability of the purchase of customer is increased for the same brand and this favorable brand preference makes it difficult to change their purchasing intention. Customer preferences have four different types; the first one is actual preference which means the extent to which the customer rises and improves the capability of using a specific product. Second is meta-preferences which means the preferences of customers, regarding real inclinations and the judgments of higher-order self (meta-self). Third is true preference which shows what is best for the customer. The last one is unrestrained preference which means that satisfaction of minimum level of physical needs (Tomer 1996). Preference means the comparative judgement of available alternatives in decision making. How a customer acts which is the result of what he really feels and thinks about a specific product (Zajonc and Markus, 1982). On the basis of previous studies, we assume that:

H3: There is an effect of brand preferences on green purchase intentions

Green Purchase intentions

A customer's intents to purchase an environment friendly product are known as green purchase intentions (Yoo, Donthu, & Lee, 2000). Green Purchase intentions are identified with a person's slant to purchase and utilize product with eco-accommodating components while buying perception depends on attributes and source of the product (Nik, 2009). The probability that customers plan or need to buy a specific product is known as Purchase intention (Wu, 2011). No doubt, that quality, information, labels, presentation and performance of the green product affects green purchase intentions (Maniatis, 2015). Lu points out that customer's perception and positive image affects positively the consumer buying behavior (Lu *et al.* 2010). The supposed value of a product or organization is playing a vital role to increase the green purchase intentions now a days (Wu, 2011). Marketer's thinks that the customers provide a helpline for formulating a green marketing strategy, and this is driven by green consumption of consumers (Varadarajan and Menon 1988). On the basis of the previous studies, we assume that:

H4: Brand preferences mediates the relationship between awareness of green marketing and green purchase intentions.

Price Consciousness

The buying decision of a customer is heavily relying on price of the product. While choosing a product or service, it is nothing unexpected that customers depend vigorously on the price of the product. There is a negative connection between price consciousness and willing to pay for a specific item. So, it can be postulated that if a customer is more price conscious, he would be less eager to pay for that item. If a consumer is paying high price, then it is obvious that he is demanding high quality product in return (Sinha and Batra 1999). According to Grail Research which was conducted in June 2009 on 520 green consumers of US, reason of why consumers are discouraged from purchasing green products are their perceptions towards green product's high prices. The customer's main reason for not buying green products is price because customers think that the green products are expensive. (Boztepe 2012). On the other hand, many environment conscious consumers e.g. more than 80 percent of Thai, Malaysian and Korean customers are willing to pay high prices for green products from emerging market in the world (Dunlap and Scarce 1991; Lung 2010).

H5: Price consciousness moderates the relationship between brand preferences and green purchase intentions.

Methodology

The respondents in this research were the University students because they were aware of green marketing concept and professionals of Pakistan. In this research, we used non-probability sampling technique. Self-administered survey was used to collect data, two basic qualifications were required to participate 1) respondents must be aware of green marketing 2) they must be aware of green products. The questionnaire distributed among 220 respondents. 79.5% of the respondents were male and 20.5% were female respondents respectively. Aggregate response rate is 90%. IBM SPSS Statistics 23 and PROCESS by A.F.Hayes was used to analyses data.

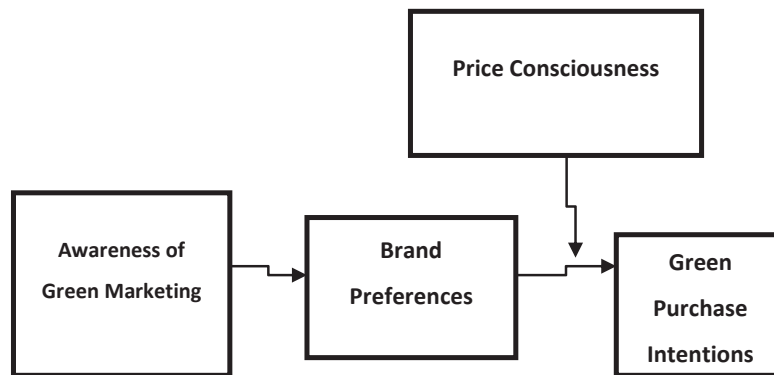


Figure 1: Conceptual Framework

Measure

Awareness of green Marketing (5 items) were developed from Suciarto *et al.* (2015), Brand preference (4 items) were developed from Chen & Chang (2008), price consciousness (3 items) were developed from Lichtenstein *et al.* (1988, 1993), Kinney *et al.* (2007), McCall and Bruneau (2010) and Campbell *et al.* (2014), green purchase intention (3 items) were developed from Kumar *et al.*'s (2009) and Wu *et al.*'s (2014). Five-point Likert scale was used where (1) shows 'strongly disagree' and (5) shows 'strongly agree'.

Cronbach's alpha

The Cronbach's alpha of Awareness of Green Marketing is 0.706, Brand Preferences is 0.754, Price Consciousness is 0.803, Green Purchase intentions is 0.745. All the values come under acceptable range. The overall reliability is 0.790 which is interpreted as acceptable.

Correlation

Correlation is the relationship between two or more variables. The correlation value is denoted by r and r is always between $+1$ and -1 .

As shown in Table 3, First two columns, we mentioned two descriptive measures i.e. means and standard deviation. In table 3, it is noted that Awareness of green marketing ($r=.401$, $p < .01$) were positively linked with brand preferences. Also, awareness of green marketing ($r=.383$, $p < .01$) is positively linked with purchase intentions. Likewise, awareness of green marketing ($r=.205$, $p < .01$) were positively linked with price consciousness. Similarly, it is noted that Brand preferences ($r=.601$, $p < .01$) is positively linked with purchase intentions and Brand preferences ($r=.379$, $p < .01$) were positively linked with price consciousness. Furthermore, purchase intentions ($r=.258$, $p < .01$) is positively linked with price consciousness.

Table 1: Cronbach's Alpha

Variables	Item-Scale	Cronbach's Alpha	Reference
Awareness of Green Marketing	8	0.706	Suciarto <i>et al.</i> (2015)
brand Preferences	4	0.754	Chen & Chang (2008)
Price consciousness	3	0.803	Campbell <i>et al.</i> (2014)
Green Purchase Intentions	3	0.745	Wu <i>et al.</i> 's (2014)
Overall Reliability	18	0.790	

Table 02: Correlations

Variables	Mean	SD	AGM	BP	PI	PC
AGM	3.81	.46	1			

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BP	4.17	.52	.401**	1		
PI	4.24	.56	.383**	.601**	1	
PC	4.14	.59	.205**	.379**	.258**	1

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

Mediation test

According to Baron and Kenny (1986) three conditions must be fulfilled to run mediation test in linear regression.

1. Relationship between independent and dependent variable must be significant.
2. Relationship between mediator variable and dependent variable must be significant.
3. Relationship between independent variable and mediator variable should be significant.

In this study all three conditions were fulfilled which are shown in above table. Mediation analysis has been done through PROCESS v3.0 A.F.Hayes.

The table4shows the relation between green marketing awareness and green purchase intentions in first step. This step tells us that ($\beta = .21$, $p < .05$) value shows a positive and significant relationship. In the second step, when brand preferences are put into the equation then ($\beta = .46$, $p < .05$) which shows a positive link between green marketing awareness and green purchase intentions and is increased, showing partial mediation effects of brand preferences ($\beta = .57$, $p < .05$). When the direct effect is positive, it shows the partial mediation. Further the partial mediation is of two types i.e. positive and negative. Positive is named as complementary partial mediation and negative is named as competitive regularly partial mediation Nitzlet *al.* (2016).Hence above mediating effect of brand preferences supports our hypothesis because it is positive. As ' β ' of awareness of green marketing increased in the next step which have confirmed partial mediating role of brand preferences.

Table 04: Hierarchical Regression Results
Simple Mediation results

Purchase Intentions				
	Beta	R	R ²	p-value
Step 1				
Awareness of Green Marketing	.21			.0061
Step 2				
Awareness of Green Marketing	.46	.383	.1467	.000
Brand Preferences	.57			

The table 05 shows the simple mediating effect. Path a value shows that significance of direct effect with P value less than .01. the value of path c' is .2052, with p value less than .01, shows positive and significant relationship between green marketing awareness and

Table 05: Simple Analysis Effect

Independent variable	Mediator	Dependent variable	path a	path b	path c' (Direct effect)	Indirect Effect	Path c (Total Effect)
Awareness of Green Marketing	Brand Preferences	Purchase Intentions	.451(6.163)**	.574(8.729)**	.2052(2.77)**	.259(3.06)**	.4642(5.83)**

**P<.01 *P<.05 The value in parenthesis is t-value

purchase intentions and it confirmed our hypothesis. The indirect effects of green marketing awareness on purchase intentions is .259 with p<.01 is also significant. The independent and mediator is significant and this shows that brand preferences is partially mediator. As path 'a' is positive so it support our hypothesis. The total effect is also significant. This hypothesis is also supported by a previous study, Chen and Chang (2008).

Moderation effect

Moderating effect of price consciousness has been checked with the help of PROCESS v3.0 Andrew F. Hayes.

The results show the interaction term (Int_1) is insignificant which is $p > .05$. The second way to check the significance is to see either the zero lies between the values of lower level of confidence interval (LLCI) or upper level of confidence interval (ULCI). The result shows that zero lies between the LLCI and ULCI which means the price consciousness is insignificant. It indicates that the hypothesis H5 is rejected.

Table 06: Moderation effect

	coeff	p-value	LLCI	ULCI
Int_1	0.084	0.4075	-0.1156	0.2836
PC	-0.3095	0.4587	-1.1318	0.5127

Table 07: Hypothesis summary

	Hypothesis	Results
H1	There is a relationship between awareness of green marketing and brand preferences	Accepted
H2	There is a relationship between awareness of green marketing and purchase intentions.	Accepted
H3	There is a relationship between brand preferences and green purchase intentions	Accepted
H4	Brand preferences mediates the relationship between awareness of green marketing and green purchase intentions	Partially Accepted
H5	Price consciousness moderates the relationship between brand preferences and green purchase intentions	Rejected

Discussion and Conclusion

This study concluded that brand preferences strengthen the relationship of awareness of green marketing and green purchase intentions. Price consciousness is not affecting the relationship of brand preferences and green purchase intentions. According to the results the customer is not price conscious when they are going to purchase a green product. The customer prefers the green brand if he has the awareness of those environmental products.

From the opinion of the textile organizations, obtaining the consistent green certification, printing the green tag on the products

and packaging, make it an essential hint for end user to recognize the green product. The green label makes the green product different from other products with respect to environmental protection, it is basically a competitive edge for the organization. It also helps the organization to improve its overall image at the same time, so in order to win the trust and favor of customer to enhance his purchase intentions. Green label is basically a strong signal from the customer's perspective assigning some characteristics of product which are not visible but shows the quality of the product and its intrinsic value.

Managerial implications

This research provides guidelines for marketers and managers. Our results demonstrate that

- Marketers should make customers aware of green marketing to enhance the green purchases by giving effective message through promotion of green products.
- The textile brands, offering green products should have the green label on products.
- The framework of this study will help the marketers and managers to understand the perception about customer's price consciousness.
- The direct effect of awareness of green marketing is also positive which shows that if a customer is aware about the environmental products; his intentions toward green purchase would be high.
- The value addition in the product with respect to safety makes the customer more conscious and makes their expectations high. So, marketers should make the green product visible for the customer by effective promotion.
- It is necessary for the marketers to enhance the awareness of the customers about green marketing.

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