

The consumer's personal and environmental awareness towards sustainable marketing program at TESCO, Melaka

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Report submitted in fulfillment of the requirement for the degree of Bachelor of Technology Management (Hons) in High Technology Marketing

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The consumer's personal and environmental awareness towards sustainable market-  
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## **DEDICATION**

With love I dedicate this research book to my parents, MohdNasir Osman and Nurussaadah Song Abdullah for the extra ordinary gifts of love, endless support and life you have given to me. I do hope I made you proud somehow with the. I miss you both!

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## ABSTRACT

Many governments around the world have become so concerned about green marketing activities that they have attempted to regulate them. Through green marketing, consumers are exposed to more sustainable options and limitation of the adverse effect of marketing activity on sustainability. Nowadays, usage of plastic bags become the significant issues regarding to the increasingly of widespread phenomenon such as acid rain, greenhouse effect and ozone layer depletion. In Malaysia, campaign on “No plastic bags” is not new among the population of consumers. In this paper, TESCO Melaka was selected to examine the influencing factors to the environment awareness of consumers and level of personal and environment awareness of consumers regarding on “No plastic bags” campaign. In this research, we are using quantitative research design method. According to that, 100 of questionnaires will distribute to get respond and feedback from the respondent. Expected result for this research is to find a significant correlation among the variable mentioned to customer awareness to use the service provided by TESCO, Melaka. The implementation to investigate company going green is discussed.

**Key words:** Green marketing, sustainability, environment awareness, personal awareness

## ABSTRAK

Banyak kerajaan di seluruh duniatelah menjadi begitu prihatin tentang aktiviti pemasaran hijau dan mereka telah cuba untuk mengawalinya. Melalui pemasaran hijau, pengguna terdedah kepada pilihan yang lebih mampan dan had kepada kesan buruk aktiviti pemasaran kemampanan. Pada masa kini, penggunaan beg plastic menjadi isu penting kepada fenomena yang semakin meluas seperti hujan asid, kesan rumah hijau dan penipisan lapisan ozon. Di Malaysia, kempen “Tanpa beg plastik” bukanlah sesuatu yang baru dalam kalangan populasi pengguna. Dalam kajian ini, TESCO Melaka telah dipilih untuk mengkaji faktor-faktor yang mempengaruhi kesedaran persekitaran pengguna dan tahap kesedaran peribadi juga persekitaran pengguna berkenaan kempen “Tanpa beg plastik”. Dalam kajian ini juga, kami menggunakan kaedah penyelidikan kuantitatif. Oleh yang demikian, 100 soal selidik akan diedarkan untuk mendapat maklum balas daripada responden. Hasil dijangka untuk kajian ini adalah untuk mencari korelasi antara pembolehubah disebut kepada kesedaran pengguna untuk menggunakan perkhidmatan yang disediakan oleh TESCO Melaka. Pelaksanaan untuk menyiasat syarikat hijau yang akan dibincangkan.

*Kata kunci:* Pemasaran hijau, kemampanan, kesedaran alam sekitar, kesedaran peribadi

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## CHAPTER 1

### INTRODUCTION

#### 1.1 Background

“Save our earth Campaign” were actively launched according to various initiatives that have been introduced by specific parties. Therefore, sustainable marketing needs to be based on more sustainable production and consumption (Peattie and Crane, 2005). Sustainable marketing is a designing and marketing product that can be used generally by all the consumers without causing harm to either the consumers or the environment across the world over extended periods. Sustainability has been defined as ‘The consumption of goods and services that meet basic needs and quality of life without reducing the needs of future generations’ (OECD, 2002). Besides, sustainable marketing can be developed through the contribution of green marketing, social marketing and critical marketing. Green marketing can allocate the consumer with more sustainable options and limiting the adverse effects of marketing activity on sustainability. The social and critical marketing applications would affect the reinforcement of green marketing by inventing a more optimally regulatory environment encouraging green marketing efforts and a greener agenda.

In order to be compatible in this business world, many of company have their initiative to practice green concept due to environmental concern. One of the steps related to sustainable marketing is minimizing the usage of plastic bags. As known, plastic bag acts like a toxic on the earth. It is hard to be disposed and cleaned. According

to expert, plastic bag need 100 to 500 year to be disposed and will produced carbon dioxide (CO<sup>2</sup>) gas which excessive production could increase the earth temperature. Many of consumers have not taken their concern about the significant of consumers' environmental awareness. This may be due to the selfishness of customer where they are more likely to neglect every change in their life and prefer to stay with their current lifestyle.

In Malaysia, issues of excessive use of plastic bags are not a new thing to be discussed. This is because too many awareness campaigns are carried out by the government, private sector or non-governmental organization (NGO) over the years. However, there is still lack of awareness, understanding, trust, and in some cases apathy about sustainability issues among consumers (Chatzidakis et al., 2007; Connolly and Prothero, 2008; Szmigin et al., 2009). Making sustainable consumption choice are significantly relate to the role of personal and environment as well as the routine behavior. Based on that matter, consumers is the biggest stakeholder towards sustainable marketing program to ensure that uses of plastic bags able to save the earth from damage. "No plastic bags" campaign is not novelty in Malaysia yet has been started since 2002. Based on Majlis Bandaraya Melaka Bersejarah (MBMB) previous record, program "No plastic bags" in supermarket are able to reduce 540kg rubbish and wastage per time. This shows that, consumer play an important role regarding to the usage of plastic bags towards environmental issues. Subsequently, the aim of this research would be towards above matter.

## **1.2 Problem Statement**

Today's environment has resulted in a variety of increasingly widespread phenomenon such as acid rain, greenhouse effect, land degradation and ozone layer depletion. Therefore, the term green marketing refers to the strategies of promoting products by employing environmental claims either about their attributes or about the

systems, policies and processes of the firms that manufacture or sell them. Many marketers are alert to this trend and start engaging in “green advertising” or “eco-labeling,” making marketing demand arise for products that made of environmentally sound materials. Moreover, a product without hazardous materials, energy saving components or recyclable items is green products that are very common in the society.

Consumer plays a very important role as a stakeholder in the market, which will make organization to react in awareness manner about that issue in order to maintain their good reputation generally in the consumer mind. Therefore, to ensure the usage of plastic bags is under control, the awareness of consumers towards environment should be studied in order to understand the sustainable marketing program at TESCO, Melaka. The impact of this research to the world is so wide. Consumer awareness towards usage of plastic bags can help in saving our earth. This research is aiming to study factors influence consumer towards the usage of bag plastics and their awareness. As the result of their concern, it may reduce pollution and decrease the production of carbon which affects the environment.

### **1.3 Research Objective**

- a. To examine either the green marketing is a well suited strategy for TESCO towards customers’ personal and environmental awareness or not.
- b. To identify level of consumers’ personal and environmental awareness.

### **1.4 Scope of Study**

Green marketing is the marketing of products that are environmentally safe. Thus, this strategy are incorporates a broad range of activities, including product

modification, changes to the production process, packaging changes, as well as modifying advertising. One of the campaigns to support green marketing is the usage of recycle plastic bags among customers. As known, plastic bags become a serious issue around the world for its consequence to the environment. Excessive usage of plastic bags will create wastage problem, harms the environment and unconsciously intruded community health.

This study includes green marketing, environment awareness, consumer awareness, sustainability and level of plastic bags usage in supermarket. Simply said, sustainable marketing combine all the marketing activities which the firms undertake to create an effective impact of their products on the environment. To explain that, sustainable marketing is limited to the perspective of the marketer who does things to environmentally and socially concerned customers, segments them, distributes and promotes to them in order to maximize the firm's objectives (see Peñaloza & Venkatesh 2006; Vargo & Lusch 2004).

The case study is held at TESCO, Melaka. In this research, TESCO has been chosen because it is one of the supermarkets that already implement "No Plastic bags" campaign. The segmentation of the target market is consumer in Tesco that come with various backgrounds which based on their education level, income and age. In this paper, the research were carried out to examine either the sustainable marketing is a best strategy towards consumers' awareness or not.

## **1.5 Limitation**

This research is in descriptive design. Green product is already an exposed subject among society and this is the current issue around the world. So, to ensure the validity, this research is focusing on customer and environment concern towards awareness of green issues for plastic bags usage.



## **1.6 Importance of study**

Global warming nowadays become current issues that create some nuisance in the society. The effects of global warming are because of ecological and social changes that influence the rise in global temperatures. Therefore, Malaysian government is trying to raise consumer concern on this issue as there are some Malaysia is not aware with the campaign. This research will examine whether the consumer in TESCO Melaka is aware of the danger from the plastic bags' excessive usage to them and environment which related with sustainable marketing in different perspective such as health, environment and awareness. In this study, the research also aims to identify on how far the environmental and consumer concern towards awareness of using plastic bags with the practices of "No Plastic bags" campaign on Saturday.

## **1.7 Summary**

In overall, this chapter explains in general the insight of the research. The research is based on two objectives which are to understand the level of awareness regarding green marketing among consumers and environment as well as to understand on how green marketing helps company to build its image. The purpose of the investigation is to evaluate the awareness of consumer and to study how far the effectiveness of the campaign towards consumer.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Green Marketing

American Marketing Association stated that green marketing is assumed as the way that environmentally safe in marketing the products. Green marketing is about applying sustainable thinking holistically, from production to post-purchasing service, aiming to stabilize the company's need for profit with the wider need to save the environment. In other words, marketers need to use their skills to encourage sustainable consumption by influencing all the components of the marketing process. It is including the using of biodegradable and recycles product or by reducing the packaging process. The beginning of environmentalism can be referred to the 1960s and early 1970s with increasing concern about the impact of consumption and production patterns on the environment due to debates about health effects and the impact of economic and population growth (Cohen, 2001).

Green marketing is based on environmental benefit which refers to the process of selling products or services. The marketing philosophy and process is “[...] built around the customer and the relationship between the company and the customer” (Peattie and Crane, 2005). If the relationship is characterized by distrust and pessimism, companies will not be able to acquire customers through the changes required to shift towards sustainability (Grant, 2007, Peattie and Crane, 2005). The development and used of green marketing is the best way in which marketing can become more sustainable. The

use of green marketing will emphasize that the product offering may not be harmful to the environment. All the above review conclude that, 'all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment' (Polonsky, 2011).

## **2.2 Personal awareness**

Energy conservation research in the mid-1980s found that people often do not take action to change their behavior even they are knowledgeable about an environmental issue and the steps needed to address it (Seligman, 1985, cited in Pelletier, Tuson, Green-Demers, Noels, & Beaton, 1998). Nowadays, most of people might indicate awareness and understanding of environmental issue and behavior to mitigate that problem but fewer people actually follow through and take action to remedy the problem.

The individual barrier is related to individual's attitudes and beliefs. The second factor is responsibility. According to Blake (1999), this is the common barrier to action in terms of environmental issues. Many individuals feel that one person should not be responsible for the health of the environment or that one person's actions cannot make a difference, leading many people to do the same by not adopting an environmental behavior. Other barrier is practicality. This is the constraints that would prevent individual from taking action which influence by their feeling to feel unable to adopt even they have attitude toward it.

Moreover, after being exposed to the message and after paying attention to it, the consumers' makes sense of the message. At this perception stage, the consumer recognizes, selects, organizes and interprets the message (Harrell, 1986). This is clearly explain that, in spite of the variety of communications campaigns designed to encourage

these individual environmental behaviors, people often do not carry out the behavior changes outlined in those campaigns even when they acknowledge the awareness or understanding of the issue (Moisander, 2007). Refer to research by Mohd Rafi et al. (2003), on educates consumers, they found respondents had no or little awareness of environmentally friendly products.

### **2.3 Environmental awareness**

The effects of climate change, along with pollution and the depletion of non-natural resource has give rise to environmental awareness (Douglas 2006: 458). According to that, the policies that focus on the protection of the environment are continually being developed worldwide (Brunoro 2008: 719). This research continues to describe the impact of individual consumption on environmental issue; governments and other organizations have started considering the role of individuals in helping to address ongoing environmental concerns (Barr & Gilg, 2006). Even though educate the public on specific environment topics is the best approach towards consumer awareness, this is contradictory which sometimes not necessarily include deficit in environment knowledge.

Besides that, businesses also can assist in protecting the environment by becoming green businesses and also known as sustainable businesses. Overall, environmental awareness are depends on individual which they should actively think more about actions rather than repeating their usual habit. Based on (Hobson 2003), designing an event that prompts the individual to question their routine behaviors and providing information to helps an individual connect their personal actions to the large impact on environment. Meanwhile, when considering environmental catastrophes with worldwide impact and the frequent demonstrations of nature's depletion, people started to pay more attention to issues related to environment and the planet's capacity of sustain

itself along time (Albuquerque, 2009). This sometimes can change their habits and give more active thought to their actions so that new behavior adopted.

## **2.4 Consumer Attitudes**

Attitude represents what consumers like and dislike (Blackwell et al., 2006). The instant determining factor of an individual's beliefs is the individual's attitude. The fundamental comprehension that forms in the mind of individual regarding a certain behavior is negative or positive consequences that it may contain. Besides that, attitudes are the most consistent explanatory factor in predicting consumers' willingness to pay for green products (Chyong et al., 2006). This shows that price is not the reason in preventing consumers from purchasing green products if they are pro-environment.

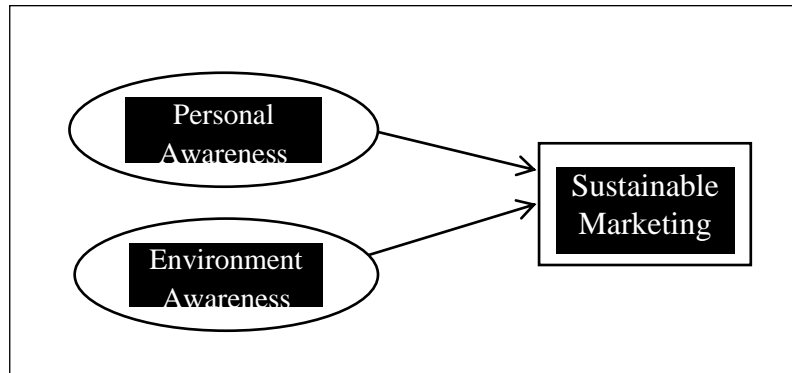
The key concept in social psychology is attitude. According to academic psychology parlance, attitudes are positive or negative views of attitude for a person, behavior, or event. Refers to Donaldson (2005), the tendencies of ecological attitude of consumers were not translated into real purchasing behavior compare to his initial between environmental attitudes and behavior may be confounded by situational factors (social norms, other attractive choices or economic constraints). Social psychologists Judd, Ryan and Parke defines attitude as, "an enduring organization of motivational, emotional, perceptual, and cognitive process to evaluate various objects that are stored in memory". Consumers who are increasingly aware and concerned about the essentials of environmental issues are known as green consumers (Soonthorsmai, 2007).

## 2.5 Environmental Attitude

The researcher and environmental activist believes that by purchasing environmentally friendly products or green products, products with recyclable packaging or properly disposing of non-biodegradable garbage, consumers can contribute significantly to improve the quality of the environment (Abdul-Muhmim, 2007). Environmentally aware consumers may choose the alternative which is product purchase that they live their needs in different way and react to environmental inducements differently. There are three components of attitudes which is cognitive component indicates the consumer's persuasion; knowledge about the subject of the attitude, affective component indicates his emotional relation to the subject and behavioural component indicates the willingness to act about the subject. This is because, when it comes to green products, consumer attitude on the products depend on their attributes. Thus, the cognitive component can easily be changed by new information while emotional components are not likely to be changed by this. The components are differently with different intensity.

According to (Sarigollu, 2009) current observation, consumers become more alert in their environmental attitude, preference and purchase. This is the effect from the environment dreadful conditions which are more threatening consumer health and well-being globally. The more ecologically consciousness and desire to purchase eco-friendly products and services which favouring business that prefer environmental practice is the proof that customers are more aware about the seriousness of the environmental degradation (Roberts, 1996; Kalafatis et al., 1999; Laroche et al., 2001). Kim and Choi (2005) found that environmental concern directly influences green buying behaviour. The statement are supported by Mainieri et al. (1997), that consumers with a stronger concern for the environment are more likely to purchase products as a result of their environmental claims than those who are less concerned about the environmental issues.

## 2.6 Theoretical Framework



**Figure 2.1** Decision making model.

This researcher develops a research framework that best describe the relationship of personal awareness and environment awareness on sustainable marketing. Therefore, on the basis of this literature review, the theoretical framework and research hypothesis have been developed.

Research Hypothesis:

$H_0$  : Personal awareness has effect on sustainable marketing

$H_1$  : Personal awareness has no effect on sustainable marketing

$H_0$  : Environmental awareness has effect on sustainable marketing

$H_1$  : Environmental awareness has no effect on sustainable marketing

## 2.7 Summary

Literature review has explained about the sustainable marketing, personal awareness, and environmental awareness and followed by four sections which is Freudian Theory of Personality, consumer attitude, environment attitude and theoretical framework.

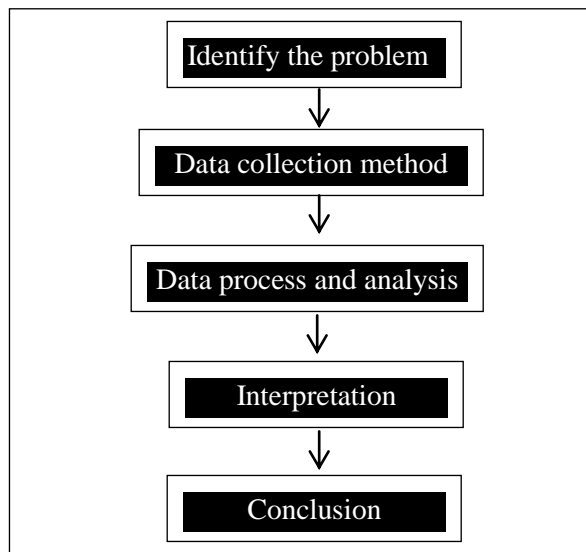
## CHAPTER 3

### METHODOLOGY

#### 3.1 INTRODUCTION

This chapter describes the research design and methodology used in order to get the result for this study. The discussion is about the research design, data collection method, location and the scientific canon used to analyze the data.

#### 3.2 RESEARCH DESIGN



**Figure 2.2**The research design