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Signature :.....

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**GREEN MARKETING AT MELAKA:
THE CONSUMER BUYING BEHAVIOR TOWARDS GREEN PRODUCT**

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“I hereby declare that the work in this Research Proposal is entirely my own work, except where stated.”

Signature :

Name :

Date :

DEDICATION

I would like to dedicate my work to my family, friends and not forget to my supervisor for the guidance and helped me prepared this work.

ACKNOWLEDGEMENT

I would like to express my deepest gratitude to all those provided me the possibility to complete this report. A special gratitude I give to my supervisor, Miss NurulZarirahNizam whose contribute much effort, guidance and coordinate my project until I able to complete this work.

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ABSTRACT

Nowadays, we can see the current issue that being talked about is the issue on going green. Many people or organization are start to realize on the important of green such as one of the state in Malaysia namely, Melaka which is currently take the initiative to become one of the green technology cities and there are lots of campaign been made in order to inform the consumer about the green and also the important of green. Thus, it is important to understand on the consumer buying decision towards the green product especially in Melaka which is the level of their awareness can be considered as low compared to another country. This research is being conducted in order to investigate the relationship of the green marketing with the purchasing behavior of the consumers for the green product as well as identify some types of green marketing that available around the Melaka region and also giving some useful ideas that could make the green marketing become more interesting to catch the consumer attention. In addition, this research also being conducted to investigate on the consumer buying decision towards the green product with no restriction on the specific types of green product. The terms like green advertising may be appeared in this research proposal which is actually refer to green marketing as it is bring the same meaning. From this research, the relationship between the consumers buying decision on green product is closely related to the green marketing that being used which is actually influence the consumers decision itself. The results could be obtained through the descriptive research. This research concludes that there is relationship between the green marketing towards the customer buying behavior based on variables such as benefit to self, environmental friendly product and comparative product.

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Chapter 1

INTRODUCTION

1.1 Introduction/ Background of the study

The research about the green marketing is actually being done for a long time ago. But recently, the green marketing is start being recognized and also being applied in order to replace the existing marketing strategy. For instance, green advertising is one of the methods that being to promote products or services with consideration from the environmental concerns. In addition, one of the most favorable practices of Corporate Social Responsibility (CSR) is by using the green marketing. It been said that the green marketing is one of the most interesting way and could give good image to the public. Even though the green advertising is not widely being used before, as the time changes there more corporate or industry become aware on the important of green advertising. According to article by FadzliRamli (2010), the Melaka government also being aware about going

green and plans to develop a green city and become an icon of green technology for the state.

Consumer buying behavior is where a decision process takes place during the buying and also products use. Consumer is the most important element that ensures the every product or services can be marketable or not and also whether it meets their expectation or not. There are a lot of factors that could lead the changing of consumer buying behavior.

This research being conduct in order to find out whether the green marketing would give impact on the consumer buying decision in order for them to make a choice to buy green product. From this research, another solution will be proposed in order to create awareness to the consumer so that they will not only concern about the environment but also make them to buy green products.

1.2 Objectives

1. To identify the types of green marketing around Melaka region.
2. To examine the relationship between the consumer buying decision making with the green marketing.
3. To propose few solutions for the effective green advertising.

Chapter 2

LITERATURE REVIEW

2.1 Introduction

The search for literature review begins after the making selection on the research topic that focuses on the latest issues. There are a lot of sources being used in order to complete this research process such as journals, articles, newspapers and books which is could be found by searching the secondary data through the internet and UniversitiTeknikal Malaysia Melaka Library. Usually, this research will use databases such as Google Scholar in order to gather the secondary data collection. The researcher will use keywords such as green marketing, green advertising, consumer buying behavior, green product and Melaka going green. The entire information gather from the articles, journals, newspaper and books is used as a guide for this research purpose.

The literature review is conducted for better understanding between the green marketing with the consumer buying behavior by refers to primary and secondary data collected.

2.2 Green Marketing and Product

Lately the issues on green become the mainstream topic for every organization which is it is actually will create values for their customers (Speshock, 2010). According to Cateora and Graham (2007), the green marketing is comprised of various marketing activities done by considering the impact on the environment. Green marketing is one of the issue on quality that seriously being taken around the world especially in Europe and United States. They also define that green marketing as a deliberation and take into account on the impact to the environment of the product manufacturing, marketing, packaging and also manufacturing production. Same goes with Solomon (2010), he define the green marketing as a strategy that involved in conserving the nature.

Environmental marketing, more popularly known as green marketing or sustainable marketing can be defined as the effort by a company to design, promote, price and distribute products in a manner which promotes environmental protection. Green marketing has to be defined as '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).

Recent research (Solomon, Marshall and Stuart, 2008) stated that the green marketing strategy is making choices on the packages, design of the product and other aspects of the marketing mix which is eco-friendly based but yet it still can generate profits at the same time.

The power of “going green” is currently extending to the Asian region, where environmental threats are disturbing local governments and citizens (Lee, 2008). Hence, Asian-based green marketing studies are comparatively small when weigh against the Western works (Lee et al., 2008).

Hence, previous literature shows that result suggest that various sort of green advertising evoke varied responses among customers, positive reactions being potentially self-promotional for the advertiser (Ong et al., 2007).

Researchers established the view that environmental claims are more credible if ascribed to green brands as compared to neutral brand (Ong and Phau, 2007). Rashid (2009) studied the awareness of eco-labels in Malaysia’s green marketing initiative, and found that a person having some concerned for the environment would have stronger preference for purchasing a green product, if he/she is made aware of its environmental friendly features through the use of eco-label. From the research (Chung and Tsai, 2007) the green design activities influence the performance of product.

From the Solomon, Marshall and Stuart theory, by using green marketing it is not only can generate profit but also could cut cost in long term. Based on the researcher observation in Melaka there is not much green product being market but they are many products that only focus on low price without considering the green issues. Hence, the research from Ong shows that the customers that have positive attitude towards advertising will also response to the green product positively. Based on Ong and Phau view, the customers will respond positively on the products that being made based on green brands compared to natural brands.

2.3 Consumer Buying Decision

Green people are define in different way which is every single person have their own specific reason on buying green products which is not all of them are actually green to buy all green products and make it as their lifestyle. Sometimes consumers will buy green products to save their money, care about the next generation and also for health concern (Croston, 2009).

Cateora and Graham (2007) stated that there are two factors that affect the product development which is the control of the packaging component of solid waste and also demand surplus for eco-friendly products. In addition, further research (Kerin, Hartley and Rudelius,

2011) showed that the unethical consumer behavior is rarely being influence by the economic but they are being influenced by their action that they think that they are worth doing it and bring confidence that they could get more with the action and also the rational that was driven by the influence from another individual. Recent surveys (Kerin, Hartley and Rudelius, 2011) indicated that some of the consumer willing to changes their lifestyle for environment concern meanwhile for the rest could identify that their living habits over the past 5 years that help protect the environment.

This research gives so much significant as this research have been proven by previous researcher. This related research indicated that consumer were not willing to pay high price and make some sacrifice for the environment. In addition, some consumers have lack of knowledge on the information regarding to green product on the purchase, use and also how to dispose the products. On the other hand, the government or the responsible party did not actively carrying out the awareness campaigns to give awareness to the consumer about the green products.

All the theories on the consumer behavior are reflecting the exact scenarios that happened on these days. Most people have low level of awareness to buy green products even though they know that green products is giving them much benefits. Consumer usually would not invest some of their money to buy green product as the price for green product is slightly higher.

2.4 Summary

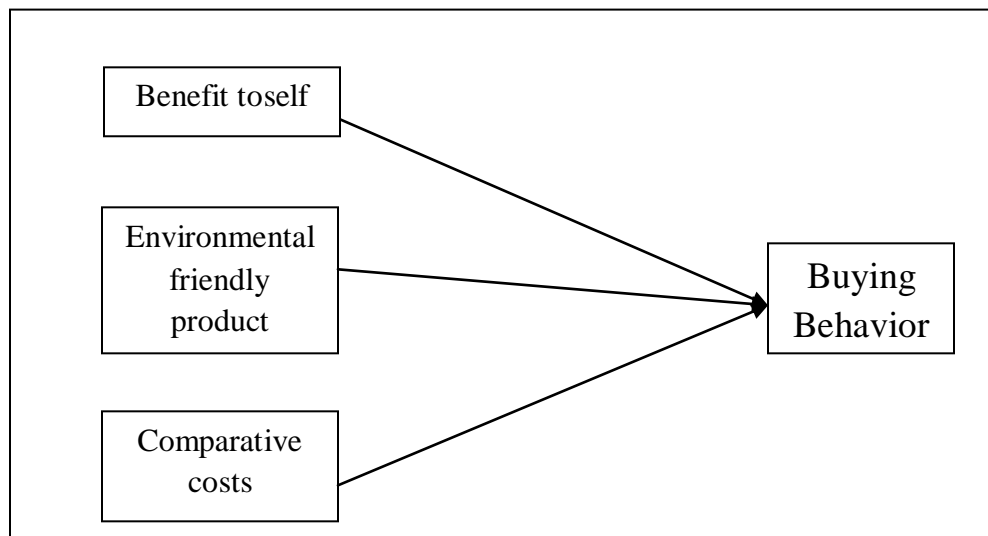


Figure 1: The proposed framework developed for this research

Figure 1 shows the proposed framework which is being developed for this research. By referring to the theories, there are three hypotheses that could be constructs which are:

H1: There are relationships between the consumers' buying behavior with benefit to self.

H2: There are relationships between the consumers' buying behavior with environmental friendly products.

H3: There are relationships between the consumers' buying behavior with comparative costs.

Chapter 3

RESEARCH METHOD

3.1 Introduction

This chapter will focus on the flow of the research method process which is including the experimental and survey research strategy. Hence, the mixed method which is consisting of qualitative and quantitative also included. Other than that, the validity, generalisability and reliability are also being discussed in this section

3.2 Research Design

Research design is a blueprint for data collection which is to answer and meet the iron triangle. Conclusive research design is used to measure and monitor the performance of the certain organization. The descriptive information could be obtained through the descriptive research which is actually will answer the most questions. Actually there are two types of method in descriptive research which is cross sectional design and longitudinal design. Cross sectional design is used to collect information on that particular time. Meanwhile, for longitudinal design is used to collect the information in sample population on the same variables under specific range of time. The data collection from the longitudinal design could be further analyzed and be used for another research. Since this research purpose are going to investigate on the consumers buying decision towards the green product, the best way is by using the cross sectional method.

In a research design, there are two types of methodological choice which are mono and multiple methods. The multiple methods can be divided into two which are multimethod research and mixed methods. What makes a different between these two types of multiple methods is the multimethod consists of more than one of data collection from the qualitative design or quantitative design only. Meanwhile for mixed method comprise of both qualitative and quantitative. Therefore, this research is going to use mono method which is by using quantitative design.

3.3 Qualitative/ Quantitative Research

The qualitative research is an unstructured method which is done on selected small in number of sample population which is not necessary will present the larger population itself. Qualitative research is more concern to provide insight understanding rather than measure it. Qualitative research answers the most questions in why and how it happens in the decision making

The quantitative research is a structured approach to measure the behavior or attitude in a sample population. By using the quantitative research, this research will uses all the required theories and tests it to verify which one is true. Other than that, from this research more information being obtained such as factors that relates to the research topic.

Therefore, this research uses survey research strategies for this research purpose to gain more information and create better understanding.

3.4 Primary and Secondary Data Sources

The primary data is being collected by using survey method. The best way to collect the information is by using questionnaire in order to provide

better understanding on the consumers buying behavior. Other than that, this research also will observe the consumer buying pattern.

Meanwhile, the secondary data can be define as data that already being collected before this for specific purpose which is the data can be used for further investigation different output. The sources of secondary data are included books, journal and newspaper.

3.5 Location of Research

The research will be conducted at the shopping mall at Melaka region. The reason for choosing the shopping mall as location to conduct this research is because from there many potential consumers with high intention in buying decision can be obtained. The shopping mall that will get involved in this research is Tesco Bandaraya Melaka.