

THE IMPACT OF GREEN MARKETING ON
CONSUMER BUYING BEHAVIOUR

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BEHAVIOUR

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APPROVAL

‘I hereby declare that I have checked this project and in my opinion, this project is adequate in terms of scope and quality for the award of degree of Bachelor of Technology Management With Honors (Marketing High Technology)’.

Signature :

Supervisor’s Name :

Date :

Signature :

Panel Name :

Date :

DECLARATION

“I hereby declare that the work of this research is mine except for quotations and summarize that have been duly acknowledge”.

Signature:

Name:

Date:

DEDICATION

To my beloved family especially Ayah, Mak, Abang Zahid, Kakak, Kak lang, Kak Cik, Ayien, Alan and all family member. Thank you for giving me strength, support and assist me during I completing my Final Year Project.

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Besides that, I want to thank my family and friends who have given their support and encouragement when completing my research.

ABSTRACT

Green marketing is one of marketing activity that aims to reduce the negative impact on the environment by using promotion, advertisement, and packaging that are environmentally friendly. With this new marketing activity, it may influence the consumer buying decision. Green marketing can influence consumer buying decision toward green product. Thus, the purpose of this research is to analyzing the impact of green marketing element on consumer buying behavior in Malaysia. The objective for this research is: firstly to examine the impact of green marketing element on consumer buying behavior. Secondly, to identify the type of green marketing elements that influence consumer on their buying decision. Lastly, to investigate the relationships between green marketing element toward consumer buying behavior. The survey which distributed 100 the respondents administrated questionnaires at Aeon hypermarket in Melaka Tengah and Aeon hypermarket in Seremban, Negeri Sembilan. Data collected analyze by using quantitative method. The result shows that, consumers buying decision have been influence by green marketing element which is green consumer perception and green promotion activities. These due to the increasing on environmental awareness among communities. Consumers now are more concern on environmental safety and healthy lifestyle. Moreover, there are positive significant between the green marketing element towards consumer buying behavior in buying green product. As a conclusion, this research have meet the research objectives and also can be as evidence for previous research and useful to the marketers who are responsible for creating and market green products.

ABSTRAK

Pemasaran hijau adalah salah satu aktiviti pemasaran yang bertujuan untuk mengurangkan kesan negative terhadap alam sekitar dengan menggunakan reka bentuk, pembungkusan dan pelabelan yang mesra alam. Dengan aktiviti pemasaran yang baru ini, ianya mempengaruhi keputusan pembelian pengguna terhadap produk hijau. Oleh itu, tujuan kajian ini adalah untuk menganalisis kesan elemen pemasaran hijau pada kelakuan pembelian pengguna di Malaysia. Objektif kajian ini adalah: pertama meneliti kesan elemen pemasaran hijau pada kelakuan pembelian pengguna. Kedua, untuk mengenal pasti jenis elemen pemasaran hijau yang mempengaruhi pengguna mengenai keputusan pembelian mereka. Akhir sekali, untuk mengkaji hubungan di antara elemen pemasaran hijau ke arah kelakuan pembelian pengguna. Kaji selidik diedarkan kepada 100 responden di Pasaraya Besar Aeon di Melaka Tengah dan Pasaraya Besar Aeon di Seremban, Negeri Sembilan. Data yang dikumpul telah dianalisis dengan menggunakan kaedah kuantitatif. Hasil kajian telah menunjukkan, keputusan pembelian pengguna telah dipengaruhi oleh unsur pemasaran hijau iaitu persepsi pengguna hijau dan aktiviti promosi hijau. Ini adalah kerana peningkatan kesedaran alam di kalangan masyarakat, pengguna kini adalah prihatin terhadap keselamatan alam sekitar dan gaya hidup sihat. Tambahan juga, terdapat positif yang signifikan di antara elemen pemasaran hijau ke arah kelakuan pembelian pengguna untuk membeli produk hijau. Kesimpulannya, kajian ini telah mencapai objektif kajian dan hasil kajian ini juga boleh dijadikan bukti bagi kajian yang sebelumnya dan berguna kepada pemasar yang bertanggungjawab mewujudkan dan memasarkan produk hijau.

CHAPTER 1

INTRODUCTION

1.1 Background of study

"GREEN" has become the trend in recent years. "GREEN" is showing environmentalism and environmental concerns. Now consumers are concern about healthy lifestyle. Because of the increasing awareness among our communities now, green marketing been recognize by communities. Therefore, the organizations have provided green product to fulfill the customer need and wants. According to Roy (2013), green marketing is the marketing that protect the environmental safety. Thus, the green marketing is one way to influence consumer on buying decision toward green product. Organizations around the world are not left behind to introduce green marketing as an important marketing strategy for their business development. Some companies are also aware the importance of environmental preservation and have taken active steps to reduce the production of carbon emissions to ensure a healthy life. Besides that, green marketing had a positive impact on consumers' purchases behavior.

According to The American Marketing Association (AMA), (2010) defines "Green Marketing as the development and marketing of products designed to minimize negative effect on the physical environment or to improve its quality and the effort by organizations to produce, promote , package, and reclaim products in manner that is sensitive or responsive to ecological concerns". Green marketing requires the right strategy to introduce green product to consumers so that consumers can identify which products that are environmentally friendly. Therefore, eco-

labeling are very important on the packaging of an environmentally friendly product because it will help users to identify which one is green product. The changes in consumer purchases have occurred with more consumers have shifted their purchases to products that are environmentally safety and it is known as green consumer. Green consumer is generally defined as who that always buy products that are environmentally friendly and do not buy anything that can harm the environment.

According to McClendon (2010), green marketing is a marketing of the products that are environmental friendly. Application on green marketing tool to facilitate organizational change the purpose of consumer in buying with the way, manufacturer create product that can protect environment and produce product that can reduce carbon emission and energy use. This is because, carbon emission are increasing in rapid pace in recent years due to human and industrial activities. Besides that, consumer must have initiative to change their buying behaviour with buying green product. Green product is products that have less impact on the environment.

Green product be formed from recycled components or supplied product to the market with used ecological packing. According to Albino (2010), green product is product designed to minimize its environmental impacts during its whole life cycle. In particular, non renewable resource uses in minimized, toxic materials are avoided and renewable resources use in takes place in accordance with their rate of replenishment. To identify which product are green products, look at the label. With using eco-labeling, it might increase awareness on green product characteristic and it will guide consumer into purchasing environmentally friendly product.

Besides that, organization also must manufactured product with used more energy conservative. This research is exploring more on green consumer perception, green promotion activities and socio demographic of consumer on purchasing green product. The present research discusses the impact of green marketing on consumer buying behavior in Malaysia. This research based on the data collected through a survey on consumers that are visiting various hypermarket in Malaysia for assess their buying behaviour towards green marketing.

1.2 Research problem

In recent year, we are facing with a lot of pollution, climate change, greenhouse effect because of carbon emission and the limited natural sources. In Malaysia, a lot pollution occurred because of waste disposal. According to Eusuf (2012), state that waste in Malaysia on average consists of 45.0 per cent food waste, 24.0 per cent plastic, 7.0 per cent paper, 6.0 per cent iron, and 3.0 per cent glass and others. Because of that, green revolution is occurred to prevent pollution and becomes popular among communities in the world. Consumers become alert about environmental protection. Because of that, consumers are becoming more demanding and selective on choosing the product because they have began pay more attention to the environment safety and healthy lifestyle. Thus, manufacturer began providing green product to fulfill the consumer need and wants.

Because of the increased on the environmental awareness among communities in the world, green marketing was began recognized by communities nowadays. Green marketing was implementing in other countries such as India (Bhatia, 2013). So, from this, I want to know whether the green marketing in Malaysia give impact or not to consumer buying behavior toward green product.

1.3 Research questions

The research questions for this study are:

- What are the impacts of socio demographic element on consumer buying behavior?
- What are the types of green marketing element that can influence consumer on their buying behavior on green product?
- What are the relationships between green marketing elements on consumer buying behavior?

1.4 Research objectives

The research objectives are:

- To examine the impact of socio demographic element on consumer buying behavior.
- To identify the type of green marketing elements that influence consumer on their buying decision.
- To investigate the relationships between green marketing element and consumer buying behavior.

1.5 Scope of the study

The purpose of this research is to analyze the impact of green marketing element on consumer buying behaviour. The aspects looked into this research is green consumer perception, green promotion activities and socio demographic. The scope of this research is more focused on consumer in Malaysia that always goes to Aeon Hypermarket. This because Aeon hypermarket is one of hypermarket that is providing the environmental friendly product and a hypermarket that is support Go Green Campaign. This research targeted 100 potential respondents as the sample size and it to be sufficient for data analysis.

1.6 Limitation of the study

The limitation of this research is time. Time constraint is one of limitation for do this research. This is because the researcher needs to manage time in order to get the valid data from consumer regarding the research topic. The researcher has short time to conduct this research because researcher needs to distribute survey to the consumers that are always been to Aeon hypermarket. Cross sectional studies is the best way during do this research. Cross sectional studies is the study of particular phenomena at particular time. "In a cross-sectional study, a single variable that vary

at all the sample of respondents is the focal point, but can then be cross-referenced across demographic similarities among the respondents, such as age, gender and location (Apel, 2014)".

Besides, this research undertaken for academic courses and it is necessarily time constrained. Moreover, this research only focused on Melaka and Negeri Sembilan citizen. This is because the researcher need conducted her research and distribute survey by itself.

1.7 Importance of the study (Significance/Contribution)

This research is significant and beneficial to marketers or firms to know the consumer buying behaviour on green product and how can green marketing strategies influence customer to buy green product. Besides that, this research also can give awareness to consumer about the important of environment to the life.

1.8 Key assumption

Generally, green marketing is a type of marketing that aims to reduce the negative impact on the environment by using promotion, advertisement and packaging that are environmental friendly. All green marketing activities will more concern on environmental protection. Consumer purchasing behavior is defined as attitude of consumer on purchasing some product for their need or wants. For this research, the researcher examines which green marketing element that can influence consumer behaviour on buying green product.

1.9 Summary

This research studies investigate the impact of green marketing element on consumer buying behaviour. In this chapter described the research questions, research objectives, research hypothesis, scope of the study, limitation and the importance of this research. In the next chapter, the independent and dependant variables are discussed and illustrated the research framework followed by the relationships between variables and consumer behavior on buying green product.

CHAPTER 2

LITERATURE REVIEW

2.1 Consumer

Consumer is someone who is purchase goods for his own use. The consumer will exchange their money to get goods and services for own use or the use for families .Consumer also are someone who can make the decision whether he want to purchase a goods or not. Consumer behavior is changing to suit their needs on a particular time.

According to Schiffman and Kanuk (2010), consumer is defined as an individual that purchase goods and services for its own use, household, one member of the household or as a gift to friends. It is different with the consumer of organization that refers to private traders, government agencies and institutions who only buy items for the equipment and services to the needs of their organization either for the purpose of profiting or otherwise.

Consumer is an individual that using product for their needs (Joseph, 2014). Consumers are distinct from the seller. This is because they only buy a product but not sell it to get the profit. Consumer also defined as an individual who buying something at some place with the intention to using products purchased for their own use. In this study, consumer refers to an individual or a group of people who buy a product or service and use the products for their own use or for use by others.