

GREEN MARKETING MIX, GREEN AWARENESS,  
GREEN CONSUMER AND ENVIRONMENTAL  
ACTIVITIES FACTORS IN DETERMINING  
CONSUMER PURCHASING DECISION

NUR AZUREEN BINTI MUHAMAD KHAIRI

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

NUR AZUREEN BT MUHAMMAD KHAIRI BTM (HIGH-TECH MARKETING) 2015 UTeM

GREEN MARKETING MIX, GREEN AWARENESS, GREEN CONSUMER AND ENVIRONMENTAL ACTIVITIES FACTORS IN DETERMINING CONSUMER PURCHASING DECISION

NUR AZUREEN BINTI MUHAMAD KHAIRI

This report is submitted in  
Partial fulfillment of the requirements for the award  
Bachelor of Technology Management (Marketing High Technology)

Faculty of Technology Management And Technopreneurship  
Universiti Teknikal Malaysia Melaka

JUNE 2015

**APPROVAL**

‘I/We acknowledge that have read this thesis and in my/our opinion this thesis is sufficient in term of scope and quality for the award of Bachelor of Technology Management (High Technology Marketing) with Honor’

Signature : .....

Supervisor name : .....

Date : .....

Signature : .....

Evaluator name : .....

Date : .....

## DECLARATION

“I admit that this report is a product of my own work except that citation for each of which I have mentioned the sources”

Signature : .....

Name : .....

Date : .....

## DEDICATION

I dedicate my dissertation work to my family and many friends. A special feeling of gratitude to my loving parents, Muhamad Khairi bin Jaafar and Noranisa binti Mohd Mokhatar whose words of encouragement and push for tenacity ring in my ears and have never left my side and are very special.

To my father, who taught me that the best kind of knowledge to have is that which is learned for its own sake. It is also dedicated to my mother, who taught me that even the largest task can be accomplished if it is done one step at a time.

## ACKNOWLEDGEMENT

Foremost, I would like to express my sincere gratitude to my lecturer Dr. Ismi Rajiani for the continuous support of my Final Year Project and Report, for his patience, motivation, enthusiasm, and immense knowledge. His guidance helped me in all the time of research and writing of this final year project report. I could not have imagined having a better supervisor and mentor for this Final Year Project and Report.

Thank you also goes to all those involved either directly or indirectly help ensure the success of this research project. I would like to express a special words of thanks to my friends and family who tirelessly listen to my ideas and offered encouragement when it was most needed. My fellow final year project, my house mate and roommate. Hopefully this report will be a reference to other students in the future.

## ABSTRACT

Introducing green marketing, green awareness, green consumer and environmental activities factors in determining consumer purchasing decision is more challenging to marketers. Consumers did not really care about the current issue that happen surround them regarding to green marketing and green product. Firstly, the objective is to investigate the purchasing decision and the acceptance of consumer towards green marketing and green product. Next, to determine the green marketing mix that influence consumers purchasing decision. Besides, to study the awareness of consumers on their purchasing decision. Fourth, the objective want to investigate green consumer on purchasing decision. Finally, to study the environmental activities that influence consumer purchasing decision. A survey based on 100 sample was distributed to collect respondents' answers, while data collected were analyzed quantitatively. The researcher used multiple regression analysis for the hypothesis testing along in gathering the result for the objective. Green Marketing Mix, Green Consumer, Green Awareness and Environmental Activities are independent variables while Consumer Purchasing Decision is dependent variables. The result showed that only two independent variables that are significant to the study which is Green awareness and Environmental Activities towards Consumer Purchasing Decision.



## ABSTRAK

Memperkenalkan pemasaran hijau, kesedaran hijau, pengguna hijau dan aktiviti alam sekitar faktor dalam menentukan keputusan membeli pengguna adalah lebih mencabar kepada pemasar. Pengguna tidak benar-benar mengambil berat tentang isu semasa yang berlaku di sekeliling mereka mengenai pemasaran hijau dan produk hijau. Pertama, objektif untuk menyiasat keputusan pembelian dan penerimaan pengguna terhadap pemasaran hijau dan produk hijau. Seterusnya, untuk menentukan campuran pemasaran hijau yang mempengaruhi keputusan membeli pengguna. Selain itu, untuk mengkaji kesedaran pengguna mengenai keputusan pembelian mereka. Keempat, objektif ingin menyiasat pengguna hijau untuk keputusan membeli. Akhir sekali, untuk mengkaji aktiviti alam sekitar yang mempengaruhi keputusan pembelian pengguna. Satu kaji selidik berdasarkan 100 sampel telah diedarkan untuk mengumpul jawapan responden, manakala data yang dikumpul dianalisis secara kuantitatif. Penyelidik menggunakan analisis regresi berganda untuk menguji hipotesis bersama-sama mengumpul hasil untuk objektif. Pemasaran Hijau Campuran, Pengguna Hijau, Kesedaran Hijau dan Aktiviti Alam Sekitar adalah pembolehubah bebas manakala Keputusan Pembelian Pengguna adalah pemboleh ubah bersandar. Hasil kajian menunjukkan bahawa hanya dua pembolehubah bebas yang penting bagi kajian yang kesedaran Hijau dan Aktiviti Alam Sekitar ke arah Keputusan Pembelian Pengguna.

**LIST OF TABLES**

<b>TABLE</b>	<b>ITEM</b>	<b>PAGES</b>
2.6	Theoretical Framework	17
4.1	Pilot Test	35
4.2	Reliability Analysis	36
4.3	Item-Total Statistics	38
4.4	Gender	40
4.5	Age	41
4.6	Income	42
4.7	Level of Education	43
4.8	Occupational Classification	44
4.9	Green Marketing Mix	45
4.10	Green Consumer	47
4.11	Green Awareness	49
4.12	Environmental Activities	51
4.13	Consumer Purchasing Decision	53
4.14	Correlations	55
4.15	Multiple Regression Analysis	56
4.16	Anova	56
4.17	Coefficients	57

**LIST OF FIGURES**

<b>FIGURE</b>	<b>ITEM</b>	<b>PAGES</b>
4.4	Gender	<b>40</b>
4.5	Age	<b>41</b>
4.6	Income	<b>42</b>
4.7	Level of Education	<b>43</b>
4.8	Occupational Classification	<b>44</b>

**LIST OF ATTACHMENT**

<b>ATTACHMENT</b>	<b>ITEM</b>	<b>PAGES</b>
A	Questionnaires	66
B	SPSS	71

## TABLE OF CONTENTS

<b>CHAPTER</b>	<b>ITEM</b>	<b>PAGE</b>
	<b>DECLARATION</b>	II
	<b>DEDICATION</b>	III
	<b>ACKNOWLEDGEMENT</b>	IV
	<b>ABSTRACT</b>	V
	<b>ABSTRAK</b>	VI
	<b>LIST OF TABLES</b>	VII
	<b>LIST OF FIGURES</b>	VIII
	<b>LIST OF APPENDIX</b>	IX
<b>CHAPTER 1</b>	<b>INTRODUCTION</b>	
	1.1 Introduction	1
	1.2 Problem Statement	3
	1.3 Research Questions	3
	1.4 Research Objectives	4
	1.5 Scope, Limitation And Key Assumption	4
	1.6 Important Of The Study	4
<b>CHAPTER 2</b>	<b>LITERATURE REVIEW</b>	
	2.1 Consumer Purchasing Decisions	5
	2.1.1 Age	5
	2.1.2 Gender	6
	2.1.3 Education	6
	2.1.4 Purchasing Power	6

2.1.5 Social Class	7
2.2 Green Marketing Mix	7
2.2.1 Product	7
2.2.2 Place	8
2.2.3 Price	8
2.2.4 Promotion	8
2.3 Green Awareness	9
2.3.1 Need and Motivations	9
2.3.2 Belief and Knowledge	10
2.3.3 Value	11
2.3.4 Attitude	11
2.4 Green Consumer	12
2.4.1 Trust	12
2.4.2 Satisfaction	13
2.4.3 Perceived Value	13
2.5 Environmental Activities	14
2.5.1 Eco-Labeling	14
2.5.2 Eco-Cycle	15
2.5.3 Eco-Packaging	16
2.6 Theoretical Framework	17
2.7 Research Hypothesis	19
2.8 Summary	19

**CHAPTER 3 RESEARCH METHOD**

3.1 Introduction	20
3.2 Research Design	20
3.3 Methodology Choice	21
3.4 Primary Data And Secondary Data	22
3.4.1 Primary Data Source	22
3.4.2 Secondary Data Source	23
3.5 Location Of The Research	23

3.6 Research Strategy	23
3.7 Time Horizon	24
3.8 Research Instrument	25
3.9 Sampling Design	25
3.10 Pilot Test	26
3.11 Scale Of Measurement	26
3.12 Operational Variables Definition	29
3.13 Questionnaire Design	30
3.14 Validity And Reliability	30
3.14.1 Validity	30
3.14.2 Reliability	31
3.15 Statistical Tool	31
3.15.1 Statistic Associated with Multiple Regression	32
3.16 Summary	33

## **CHAPTER 4      RESULT AND DISCUSSION**

4.1 Introduction	34
4.2 Pilot Test	35
4.3 Reliability Analysis	36
4.4 Descriptive Analysis	39
4.4.1 Demographic Analysis	39
4.4.1.1 Gender	40
4.4.1.2 Age	41
4.4.1.3 Income	42
4.4.1.4 Level Of Education	43
4.4.1.5 Occupational Classification	44
4.4.2 Research Questions	45
4.5 Inferential Analysis	55
4.5.1 Pearson Correlation Analysis	55
4.5.2 Multiple Regression Analysis	56
4.5.3 Hypothesis Testing	58

<b>CHAPTER 5</b>	<b>CONCLUSION AND RECOMMENDATION</b>	
	5.1 Conclusion	59
	5.2 Recommendation	61
<b>REFERENCES</b>		62
<b>APPENDICES</b>		65



## CHAPTER 1

### INTRODUCTION

#### 1.1 Introduction/Background

##### Green Marketing

World is constantly changing. Creating new industries and products show this fact. Now, many organizations are not yet engaged in the marketing of their product or service through a pamphlet or brochure. This is because, the organization will need to build structures that would be attached to advertising brochures, print and distribute it to consumers. It makes marketers have a lot of work to be done. So, in line with the green technologies that are being debated, green marketing is equally impressive.

What is green marketing? Green marketing is a new phenomenon that has developed in the modern market. According to Kotler (2001) Modern marketing traces its origin to the primitive forms of trade. As people began to adopt the techniques of work specialization, a need for individuals and organizations to facilitate the process of exchange emerged. Until about 1900, however, marketing was little more than physical distribution. We can trace the development of modern marketing through three stages the production era, the product era and the era of the sales.

Green Marketing is the new way for marketers to promote their organization product or services that are more beneficial to the environment. In this decade, the environment is increasingly threatened by the occurrence of activities that are not healthy by irresponsible people. So, green marketing has been introduced in order to save the environment and give advantages to the consumer. Although green marketing

is still new, it has been growing as consumers are willing to buy green products. We already know that green products are more expensive than regular products we use. This is because green products made of 100% natural ingredients and are free chemical substances. So it's not surprising why green products are not to be preferred now.

Kempton et.al (1995) notified that most people do not know enough about environmental issues to act in an environmentally responsible way. Environmental knowledge can be defined as “a general knowledge of facts, concepts, and relationships concerning the natural environment and its major ecosystems (Fryxell & Lo, 2003, p. 45). In other words, environmental knowledge involves what people know about the environment, key relationships leading to environmental aspects or impacts, an appreciation of “whole systems”, and collective responsibilities necessary for sustainable development. Rokicka (2002) found that attaining a high level of environmental knowledge produces much better pro-environmental behavior. Concordantly, Mostafa (2009) found that environmental knowledge has a significant impact on the consumers’ intention to buy green products.

Green marketing is also a tool to market a product or service of an organization without using any device that can destroy the environment. Marketing nowadays more likely to choose online marketing through to marketing the product. It is more modern and marketers do not need to use a medium-medium long as brochure and flyers to attract consumers to choose their products. In fact, consumers are already choosing to buy products through online than going to the supermarket. To save the environment from destruction and worsens, green marketing is introduced. As we know that no are many consumers who use green products and they are more interested in products that would endanger their future soon. So this research is to examine whether environmental activities and prices of green products they use and influence the purchasing decisions of consumers.

Polansky (2011) comments that green marketing can be defined as the effort by a company to design, promote, price and distribute products in a manner which promotes environmental protection. It has also 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 occur with minimal harmful impact on the natural environment.

Researcher wanted to investigate how green consumers decided which technology product to purchase and what factors influenced this purchase decision process. Why is this of interest? First, there has been a growing interest in informing consumers about the environmental aspects to take into account when buying products, Young (2010).

## **1.2 Problem statement**

Green products does not get the attention and consumption because less information about slightly knowledge of what is green marketing. Thus, how do we influence consumer to bear about advantages by using green marketing? The question is what is the underlying reason green product perception in market? Some authors said that there may be a demographic factors that explains the differences. Others said that the awareness of environmental activities are still not exist in the minds of consumers. It is important to make sure consumer taking care of environment.

## **1.3 Research Questions**

- Does consumer purchasing decision affect acceptance product towards green product and green marketing?
- Does green marketing mix can be effect to consumer purchasing decision?
- Does green awareness can influence consumer purchasing decision?
- Does consumer purchasing decision influence green consumer?
- Does environmental activities influence consumer purchasing decision?

## **1.4 Research Objectives**

This study aims:

1. To investigate the purchasing decision and the acceptance of consumer towards green marketing and green product.
2. To determine the green marketing mix that influence consumers purchasing decision.
3. To study the awareness of consumers on their purchasing decision.
4. To investigate green consumer on purchasing decision.
5. To study the environmental activities that influence consumer purchasing decision.

## **1.5 Scope, Limitation and Key assumption**

The purpose of this research undertaken is to study the factors of green marketing in determining consumers purchasing decision. The scope of this research is focused at consumers at Melaka. It is selected because of Melaka is the one state that perform go green as 'Negeri Berteknologi Hijau' but still there is a limitation to get customer cooperation in order to gathering the data. Besides that, it is a little bit hard to get the total accurate result.

## **1.6 Important of this study**

This research will give benefit and contribute to the academicians in term of referral for their studies and research; to examine the purchasing decisions of consumers of green products and how green marketing are able to influence the purchasing decisions of consumers in terms of green awareness of consumer that influence to motivate themselves buying green product or services, green consumer who assumed use the green marketing and ability to choose green product or services and consumer who carried out the environmental activities such as no longer use plastic bag, recycle and others activities related to green marketing.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 CONSUMER PURCHASING DECISION**

Consequently, demographic profile of a green consumer based on scientific research indicates that well-educated women, who belong to age group of 30 to 44, and whose annual household income is higher than average may be considered to be consumers who will possibly be involved into eco-friendly product purchase behavior.

##### **2.1.1 Age**

It is often considered that the average age of a green consumer is lower than that of a typical consumer, i.e. younger people are more likely to be sensitive to environmental issues (Memery, Megicks & Williams, 2005; D'Souza, Taghian, Lamb & Peretaitko, 2007). However, some studies reveal opposite results either (do Paço, Raposo & Filho, 2009). The study performed by J. A. Ottman & W. R. Reilly (1998) confirms that green consumers usually belong to the age group of 30 to 44.

### **2.1.2 Gender**

Empirical studies show that women are more sensitive to environmental issues and perceive them better than men do; and therefore, they more often become green consumers (Ottman & Reilly, 1998; (Memery, Megicks & Williams, 2005; do Paço, Raposo & Filho, 2009). On the other hand, the studies prove that men possess deeper knowledge on environmental issues, whereas women care about the quality of environment more (Mostafa, 2007; D'Souza, Taghian, Lamb & Peretaiko, 2007).

### **2.1.3 Education**

Empirical studies proved that better educated consumers perceive environmental issues better and are more sensitive to them (Ottman & Reilly, 1998; (Memery, Megicks & Williams, 2005; D'Souza, Taghian, Lamb & Peretaiko, 2007; do Paço, Raposo & Filho, 2009).

### **2.1.4 Purchasing Power**

Consumers who have higher than average purchasing power are more sensitive to environmental issues in comparison to those who receive average or low income (Ottman & Reilly, 1998), which is because they can pay less attention to differences between eco-friendly and conventional product prices (do Paço, Raposo & Filho, 2009). However, there exist the studies that present contrary findings (do Paço, Raposo & Filho, 2009).

### **2.1.5 Social class**

In various researches that have been done on green purchase behavior of consumers, researchers have proved that social class that is defined in terms of job and income, is directly related to the green behavior.

## **2.2 GREEN MARKETING MIX**

It can be defined as a set of marketing tools and elements which are sought to be integrated by the organization in order to serve the target market and achieve the goals of the organization without harming the natural environment (Al-Salaymeh., 2013).

### **2.2.1 Designing of green product (Product)**

Although the study of the relationship between green products and industry from a marketing perspective is relatively new (Baumann et al., 2002). The literature also recognizes that managers should be aware that green marketing begins with green design (Vasanthakumar, 1993), and that product design constitutes an active interface between demand (consumers) and supply (manufacturers) (Baumann et al., 2002). For example, super-concentrated laundry detergents are associated with energy saving, reduced packaging and space, and money (Ottman and Terry, 1998).

### **2.2.2 Distribution with green criteria (Place)**

Green distribution was included because product distribution systems can constrain green design solutions (OTA, 1992) since they must guarantee the tangible ‘ecological nature’ of the products on the market (Italia Imballaggio, 2002). Additionally, distribution often increases the environmental impact of products, and is constantly regulated for environmental compliance. This is a common situation in the United States (Isherwood, 2000).

### **2.2.3 Pricing of green product (Price)**

According to Kumar (2012) Pricing is a critical element of the marketing process. Most customers will only be prepared to pay a premium price if they are getting extra product value in terms of improved performance, function, design, visual appeal or taste. Environmental benefits are usually an added bonus but will often be the deciding factor between products of equal value and quality. Environmentally responsible products, however, are often less expensive when product life cycle costs are taken into consideration.

Green products pricing was included because green industrial differentiation works only when green products reduce clients’ costs (Wohlgemuth et al., 1999).

### **2.2.4 Green Publicity (Promotion)**

Kumar (2012) comments Promoting products and services to target markets includes paid advertising, public relations, sales promotions, direct marketing and on-site promotions. Smart green marketers will be able to reinforce environmental credibility by using sustainable marketing and communications tools and practices. The key to successful green marketing is credibility. Never overstate environmental claims or establish unrealistic expectations, and communicate simply and through