

IMPACT OF GREEN MARKETING MIX, LIFESTYLE, SOCIAL
REPRESENTATION AND TRUST IN INFLUENCING CUSTOMER BUYING
DECISION

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SUPERVISOR APPROVAL

I hereby declared have read this report entitled “Impact of Green Marketing Mix, Lifestyle, Social Representation and Trust in Influencing Customer Buying Decision“ and from my perspective that it has complied the fulfillment in scope and quality for awarding the degree of Bachelor of Technology Management (High Technology Marketing) with Honours

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Report submitted in fulfillment of the requirement for the
Bachelor Degree of Technology Management
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UNIVERSITI TEKNIKAL MALAYSIA MELAKA

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RESEARCHER DECLARATION

“I declared this report entitle Impact of Green Marketing Mix, Lifestyle, Social Representation and Trust in influencing Customer Buying Decision is the result of my own research except each as cited in the references”

Signature :

Name :

Date :

DEDIKASI

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ABSTRAK

Isu alam sekitar merupakan penyebab utama kebanyakan organisasi mencuba untuk mengubah strategik pemasaran dalam mempengaruhi tabiat membeli pelanggan. Atas desakan badan kerajaan memaksa syarikat untuk bertanggungjawab dalam melaksanakan konsep amalan hijau. Objektif pertama adalah untuk mengenalpasti aktiviti pemasaran hijau campuran yang digunakan oleh pemasar dapat mempengaruhi keputusan pembelian pelanggan. Objektif kedua adalah untuk menyiasat kesan gaya hidup dalam mempengaruhi keputusan pembelian pelanggan untuk mengatasi isu alam sekitar. Objektif ketiga ialah untuk menentukan gambaran sifat sosial dalam mempengaruhi keputusan pembelian pelanggan. Objektif keempat adalah untuk mengkaji unsur kepercayaan dalam mempengaruhi keputusan pembelian. Dalam kertas kerja ini, kajian descriptive explanatory digunakan sebagai rekabentuk penyelidikan yang tertumpu kepada keputusan pembelian pengguna dan mengenalpasti hubungan antara pembolehubah. Kaedah penyelidikan kuantitatif digunakan bagi menerangkan dan menganalisis hubungan antara pembolehubah bebas dan bersandar. Survey digunakan bagi mengumpul data kuantitatif. 100 set soal selidik diedarkan kepada responden di kawasan Melaka. Faktor seperti pemasaran hijau campuran, gaya hidup, gambaran sosial dan kepercayaan dalam mempengaruhi keputusan pembelian pelanggan dibincangkan dalam kajian ini. Kajian ini mencadangkan agar individu mengamalkan kehijauan dan menjadi pengguna hijau serta mengurangkan kesan terhadap alam sekitar. Kajian ini menyediakan faktor rangka kerja teori yang mempengaruhi keputusan pembelian pelanggan dengan mengambil kira kesan alam sekitar semasa membeli. Analisis regresi berganda digunakan sebagai alat statistik dalam menentukan implikasi pembolehubah bebas dalam mempengaruhi keputusan pembelian pelanggan.

ABSTRACT

Environmental issue is the primary reason for why most organization tried their best in changing their marketing strategy in influencing customer buying behavior. Follow to the governmental bodies are forcing firms to become more responsible in implement the green concept. The first objective of this paper is to identify if the green marketing mix activities used by marketer will influence customer buying decision. Second objective is to investigate the impact of lifestyle in influencing customer buying decision to overcome the environmental issues. Third objective is to determine the social representation attributes in influencing customer buying decision. Fourth objective is to explore the trust element in influencing customer buying decision. In this paper, descriptive explanatory studies used as the research design where it concentrate on consumer buying decision and to identify the relationship between variables involved from the data collection. Quantitative research method is consider as research methodology in order to describe and analyze the relationship between independent and dependent variables. Survey use as research strategy which it allow researcher to gain quantitative data collection. This survey use by distributing 100 sets of questionnaire to respondents at selected location which is Malacca town area. Factors such as green marketing mix, lifestyle, social representation and trust in influencing customer buying decision are discussed in this paper. This paper proposes that “going green” and become “green consumerism” as an individual especially when it related to the customer buying decision and at the same time can reduce environmental impact. This paper offer a theoretical framework factors which influence customer buying decision while considering to environmental impact during purchasing. In this paper, for data analysis the researcher used multiple regression analysis as the statistical tools in determine the implication of the independent variables towards influencing customer buying decision.

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CHAPTER 1

INTRODUCTION

1.1 Background of study

Today's successful businesses in the world are generated from good marketing concept and committed to the customer needs and wants. Generally, people think where marketing for selling product to end user or customer and perhaps only do the advertising of product or service. The good marketing implementations will determine the performance of the organisation. Nowadays, people expose to variety of marketing promotion and advertising activities such as TV commercials, catalogues, brochures, sales calls, social media, email alert promotions and others. According to Kotler and Armstrong (2012), marketing defines as the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return. Hence, we should understand marketing is not only about selling and telling purposes to the customers but marketing is more to inform new value in order to satisfy customers' needs and fulfill the customers' demands.

In the last decade, when country in developing, some of the problem faced by the communities. The first problem is environmental problem that give an impact to the social life. According to Yakup and Sevil (2011), from the beginning of the 1980s, there have been ecological issues such as global warming, the greenhouse effect, pollution, and climate changes which are directly related to industrial manufacturing and this will

continue to affect human's activities. Each of the environmental issues due to the consumption and human activity. Dahlstrom (2011) mentions that nowadays many people now agree that climate change is occurring, few recognize, how commerce, industry activity and consumption directly affect the environment. Environmental problem not only cause by the human activity but also influence by the business activity, manufacturing activities and direct consumption activity. Nowadays, consumer also make a change and become more knowledgeable on environmental problems that affect the natural environment. Consumers recognize they should take responsibility to decrease environmental harmful.

Currently, the green concept is rapidly implement in certain country. Organisation and consumer also change to the "green" concept in the lifestyle. Dahlstrom (2011) comments that, green marketing is the study of all efforts to consume, produce, distribute, promote, package, and reclaim products in a manner that is sensitive or responsive to ecological concerns. The phrase of "all effort to consume" determines that many entities are involved in implementing the green marketing. It involve government, non government organisation and also consumer of the product as well (Dahlstrom, 2011). Thus, green marketing mix should take a look on how to minimize environment harm rather than eliminate it. The green marketing mix including green product, green price, green promotion and green place (distribution activities) can be factors in influencing consumer purchasing decision. Nowadays, world face with environmental issues regarding limited resources to fulfill and satisfy unlimited wants and needs.

This study also focuses on lifestyle characteristics in influencing consumer buying decision. In marketplace, society become more aware regarding the environmental problem. Organic product, natural product, eco-friendly product become synonyms to consumer in enhance healthy lifestyle. All the green products including the organic product, eco-friendly product, natural product view as promoting good healthy lifestyle. The relationship between the lifestyle and consumer buying decision will determine on how consumer concern with the environmental issues and help to

overcome the environmental problem. This research focuses on factors of the health product in social life, environmental friendly product, perceive to use organic product, and perceive to use recycle product.

Jaspal, Nerlich and Cinnirella (2013) in their recent research paper found that social representation has been illustrated as a system of values, ideas, and practices regarding a given social object, as well as the elaboration of that object by a group for the purpose of communicating and behaving. Social representations can be exists at the every level of group and individual. In this research, social representations can enable consumes to give different perceptions of adherence to natural product, use product as a source of enjoyment, product as necessity and adherence to the technology.

Trust also one of the most significant elements in influencing consumer purchasing intention especially for the green product where the consumer only gain trust of product based on the information on the packaging such as the green label. This research focuses to the trust among consumer to the reputation of the product, safety and convenience of product and value of the product. Morgan and Hunt (1994) described the trust as a willingness to rely on an exchange partner in whom one has confidence. It can show on how trust can influence consumer in making purchasing decision.

According to Schiffman and Kanuk (2010), consumer behavior define as the behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products, services and ideas. Individual consumer behavior will be determined the decision making. In customer buying decision, there have five(5) steps of consumer decision making which are problem recognition, information search, evaluation of alternatives, purchase decision and post purchase evaluation (Schiffman and Kanuk, 2010).

1.2 Problem Statement/Research Question.

World face with the environmental problem such as pollution, climate change, global warming, greenhouse effect, carbon footprint which is directly relate and give negative impact to community as an individual, organisation, and even industrial manufacturing. Environmental problems due to the human activities, industrial manufacturing activities and direct human consumption. In the last decade, consumers have become expose to the rapidly movement of the green in the world but not disclose to the green marketing that can be alter to the environment and ecological issues. There have several cause of environmental problems which is the release of greenhouse gases such as carbon dioxide to atmosphere through deforestation, agriculture, and the used of automobile, the burning of fuel consumption for automobile will release the high levels of carbon monoxide, burn fossil fuel for energy and cut down and burn forest to build plantations. Morel and Kwakye (2012) stated that according to the OECD, in 2050, the world energy demand will be 80% higher than actually, leading to a 50% rise of greenhouse gases emissions. Due to the statement consumers and companies concern to change their lifestyle habits to become more responsible to decrease environmental issues.

This research investigate the impact of factors in influencing customer buying decision of communities. The study of green marketing mix, social lifestyle, social representation and trust become major current research topic as environmental issues has arise as the hot issue of global concern in the world. In addition, it also can effect the intention of consumer purchasing towards the green product and become green consumerism. Previously, organisation implement the marketing to satisfy customer need and want. At the same time fulfill the customer demand without considering external impact. It is called as pro economic where organisation just concern in fulfill customer needs and demands. However, follow the lifestyle changes organisation also take a part in change their concern of values. It is called as pro social where organisation add value from only concern to the customer needs and wants to concern about the impact to the society. Nowadays, organisation more focuses on the environment issues

and it is called as pro environment. Organisation's today become more enlighten to the implication of marketing and the effect to the environment. Therefore, this research is to study the impact of green marketing mix, lifestyle, social representation and trust in influencing customer buying decision. The question that need to be considered are :

- ❖ Does the green marketing mix affect the customer purchasing decision?
- ❖ What are the impacts of lifestyle in influencing customer purchasing decision to overcome the environmental issue?
- ❖ In what way, the social representation will influence customer buying decision?
- ❖ Will the trust element influence customer buying decision?

1.3 Research Objective

According to Sounder et al., (2012) research objectives define as a clear, specific statements that identify what the researcher wishes to accomplish as a result of doing the research. The objective of this research is to :

- identify if the green marketing mix activities used by marketer will influence customer purchasing decision.
- investigate the impact of lifestyle in influencing customer purchasing decision to overcome the environmental issues.
- determine the social representation attributes in influencing customer purchasing decision.
- explore the trust element in influencing customer buying decision.

1.4 The Scope of Study, limitation

This research focuses on the impact of green marketing mix, lifestyle, social representation and trust in influencing consumer buying decision. Certain people, they have several factors in determining their purchasing intention and making decision to purchase. The decision making depend on how consumer identify their problem of needs and wants, search the information about the product, evaluate each of the alternatives, making purchase decision and repeat purchase if they fell satisfied with the product. A specific research methodologies is use to investigate the impact of green marketing mix, lifestyle, social representation and trust in determine consumer purchasing decision. Literature review focuses on scanning overview of issues related in influencing customer buying behavior.

The scope of the study is to gain feedback and survey from the community as observer and user of the product that really concern with the environmental issues. Limitation in this research where the researcher are focuses to the green product with less environmental impact. The location of this research is at Malacca City. Other than that, the researcher also assume where some of the respondent may not answer the question correctly, so it hard for researcher to find the accurate data collection.

1.5 Significance of the study/Importance of the study

This research is important to show the insight into the phenomenon of green consumer buying behavior that concern to the environmental global issues especially in Malaysia context. The objective of this research is to investigate the impact of green marketing mix, lifestyle, social representation and trust in influencing buying behavior. The researcher aim is to identified what are the most factors influence customer buying decision and contribute in minimizing the environment problem with using academic data research. Theoretical part consists of the background of green marketing strategy,

element of lifestyle, social representation and trust which reflect the customer decision making. This research also will assist manager in order to determine what are the factors that contribute in influencing customer buying decision.

1.6 Summary

In this Chapter 1, firstly, it consists the background of study in general explanation regarding the current environmental issues face by the community. Second is the research question or problem statement to assist the researcher to highlight scope of the research. Third is the research objectives that relate to the purpose of this research study. Fourth is the scope of the study and the limitation of research is focuses to the environmental issues and limited to the green product. This research uses survey method by distributing questionnaire. Lastly, the significance of the research study is to give contribution to society on the environmental issues happen nowadays and assist manager to determine what factors contribute in influencing customer buying decision.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

In Chapter 2, discuss on what should be added into the research. This chapter compulsory to make reasonable judgments about the value of each piece of research work. Besides that, this chapter is to organize the an ideas and constructed the theoretical framework. This chapter is important to assists the researcher generate and refine the research ideas. Besides that, the literature review purpose to give a better understanding for researcher to identify the theory of the research, analysis from the theory, application of the theories in research finding, focus on area of research, come out with update and latest development in focus area of research and lastly summarize the researcher analysis, key theory and in the end to construct the theoretical framework. Literature review usually includes the key theory of the research from academic books, academic documents such as academic journals, conference paper, theses and article. Lastly is online materials from internet sources which relate to the research. However, primary sources such as data collection from questionnaire, interview or observation also will be uses in the research and others secondary sources. A valuable research project and writing is guide by a review of relevant literature and how literature review organise by the researcher.