INTEGRATING SOCIAL, GREEN AND SOCIAL MEDIA MARKETING TO FACILITATE GREEN PRODUCT ACCEPTANCE

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I declare that this project entitled <u>—Integrating Social</u>, Green and Social Media Marketing to Facilitate Green Product Acceptance" is the result of my own research except as cited in the references the project paper has not been accepted for any degree and is not concurrently submitted in candidature of any other degree.

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Date:

DEDICATION

Special Thanks to my beloved family for all the support and love in the world:

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ABSTRACT

In this era of high-technology development, the use of social media has revolutionized marketing strategies of various companies. More and more companies are starting to adopt this new method of marketing. Having the ability to cross borders and globally used, the impact of using social media is high. Therefore it is the perfect tool to implement in promoting green products. However, just promoting green products does not ensure that the consumer will buy it and if they do, will they continue to choose green product above all the other product. In this research, the researcher will explore the various types of marketing; social marketing, green marketing and social media marketing and the effect of integrating these marketing methods to facilitate in green product acceptance. Using simple random sampling, 100 respondents took part in this research and the data collected is tested using Multiple Regression Analysis (MRA). The result indicates that both Social and Green Marketing have positive impact on Green Product Acceptance. However, Social Media Marketing does not have a positive impact in facilitating green product acceptance. This implies that the consumers are environmentally conscious and in the stage of green consumers which means there exists the market for green products. On the other hand, green marketing is still in infant stage in Malaysia making the use of social media in promoting the product is fairly new and therefore the degree of effectiveness is low.

ABSTRAK

Dalam era pembangunan berteknologi tinggi, penggunaan media sosial telah mengubah strategi pemasaran dalam pelbagai syarikat. Semakin banyak syarikat yang mula menggunakan kaedah pemasaran baru ini. Dengan keupayaan untuk menyeberangi sempadan dan digunakan di seluruh dunia, penggunaan media social memberi satu impak yang besar. Oleh itu ia adalah alat yang sempurna untuk mempromosikan produk hijau. Walau bagaimanapun, hanya mempromosikan produk hijau tidak memastikan bahawa pengguna akan membelinya dan jika mereka berbuat demikian, adakah mereka akan terus memilih produk hijau berbanding produk lain. Dalam kajian ini, penyelidik akan mengkaji pelbagai jenis pemasaran; pemasaran sosial, pemasaran hijau dan pemasaran media sosial dan kesan mengintegrasikan kaedah pemasaran untuk memudahkan penerimaan produk hijau. 100 responden telah mengambil bahagian dalam kajian ini dan data yang dikumpul diuji menggunakan Analisis Regresi Berganda (MRA). Hasilnya menunjukkan bahawa kedua-dua Pemasaran Sosial dan Hijau mempunyai kesan positif ke atas Penerimaan Produk Hijau. Walau bagaimanapun, Pemasaran Sosial Media tidak mempunyai kesan positif dalam memudahkan penerimaan produk hijau. Ini menunjukkan bahawa para pengguna mementingkan alam sekitar dan merupakan pengguna hijau yang bermaksud wujud pasaran untuk produk hijau. Sebaliknya, pemasaran hijau masih di peringkat baru di Malaysia membuat penggunaan media sosial dalam mempromosikan produk ini agak baru dan oleh itu tahap keberkesanan adalah rendah.

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CHAPTER 1

INTRODUCTION

1.1 Introduction

The words –green", –organic" and –sustainable" are closely associated with the environment. It's no surprise that the market today are looking at a more –green, organic and sustainable" way of living, seeing that the awareness of the impact of globalization has bought more negative effects than positive ones. Globalization is defined as the process of interaction and integration among the people, companies and governments of different nations which has effects on the environment, culture, political systems, economic development and human physical well-being in societies around the world. While this process has definitely bought a lot of developments that is beneficial to the society, it also has some side effects, mainly on Mother Nature. Industrial revolution is the reason for environmental pollution as we know it today. The emission of greenhouse gasses leads to global warming which affects our ecosystems in so many ways. This leads to the formation of many environmental activists, people who speak out about natural environment and the sustainable management of its resources through changes in public policy or individual behaviours. Throughout the years, this group of people have grown at an exponential rate to the point that in today's era, almost everyone is environmentally conscious. The growing number is mainly due to the awareness of -going green" and how beneficial it is to both the people and the environment.

The term -Going Green" is fast becoming a movement that has slowly taken effect over people's daily lives due to the emerging awareness of environmental problems over the last decade. Internationally, this trend in green consumerism is very popular and the consumers are more active and verbal about voicing their concerns regarding -Going Green". Some grocery stores have implemented paper bags in place of our regular plastic bags in the United States for quite some time, whereas we here in Malaysia are slowly catching on the importance of going green. Since the awareness of being eco-friendly is spreading rapidly, companies have started to change their policies and changing their marketing strategies to acknowledge this growing trend.

Starbucks has green advocates smiling about its -bean-to-cup" approach, which stresses top efficiency at each link of its global supply chain. By all measures the program appears to be a great success, with the company's decision to use coffee cup sleeves made of recycled paper saving roughly 78,000 trees per year since 2006. Starbucks has also partnered up with many environmental organizations, from Conservation International to the Earthwatch Institute, in efforts to do right by the communities it operates in.

Coca-Cola has narrowed down 3 environmental goals on which to focus their efforts: water stewardship, sustainable packaging, and climate & energy protection. Each of these initiatives is detailed and explained at their corporate website. In just a few years, Coca-Cola has already gotten itself involved in community recycling programs and a complete, sustainability-focused overhaul of its packaging designs.

Toyota is famous for offering the Prius, the world's first mass-market hybrid vehicle. The popular car is now sold in over 40 countries The Environmental Protection Agency has recognized Toyota's efforts as well, crowning the Prius and its 48MPG as the most fuel-efficient car available for purchase in the U.S. Similar authorities in the United Kingdom have applauded the Prius, namely the UK Department of Transport, who ranked the vehicle as the third least carbon-emitting auto in the country.

Computer equipment has historically been one of the most difficult and costly products to safely dispose of. Fortunately, one of the major leaders in that field has stepped forward to make the task less daunting. Through its –no computer should go to waste" recycling program, Dell allows customers to return any Dell-branded product back to the company – for free. The company has even gone so far as to establish programs that accept computers, monitors, or printers from other companies for safe disposal, as well.

Green marketing has emerged as one of the most important marketing techniques in the present global business environment. Over the years, the process of eco-friendly production and packaging of the products have garnered a lot of attention, however the techniques of marketing and distributing the product in that same environmental friendly manner have not. In this new era where technologies are constantly improving and changing, the existence of social media has been a blessing in disguise. Social media involve user participation and/or user generated content. Popular social media platforms include Twitter, Facebook, YouTube, LinkedIn, Wikipedia, Google+ and Foursquare, as well as social bookmarking sites like Delicious, and social news sites like Digg or Reddit.Recent research from ComScore says social networking websites reach 82% of global internet users. Facebook now reaches over half of the world's global audience, and accounts for one in every seven minutes spent online around the world. In October 2011, Twitter reached one in ten internet users worldwide, having grown nearly 60% in the past year.

According to Econsultancy, 91% of companies say social media is becoming more important to their overall marketing strategy. In their _State of Social 2011' report, 87% of global company respondents use Twitter as part of their social media marketing strategy, and 82% use Facebook. Other popular platforms for businesses include YouTube (69%) and LinkedIn (57%).

With all these social media at people's disposal, some companies have undertaken a new kind of tool which is called Social Media Marketing. This tool of direct marketing is where the customers have the opportunity to participate in the process of exchange. Marketing is a social activity. People are at the core of all marketing activities and since that is the case, this is a powerful tool to convey powerful and convincing social messages for societal benefits.

1.2 Problem Statement

In this era of globalization where developments make the world become smaller, everything we do on a daily basis will have an impact on the planet. Indonesia's forest fires have caused a rose of unhealthy levels of air pollution in Malaysia and Singapore. Pesticides used in Argentina have a negative effect on the health of the people in the United States. The people of the world have increasingly become more environmentally conscious as the awareness of global pollution and the depletion of the stratospheric ozone layer can cause both harm to the people as well as the environment. Certain measures are taken by corporations around the world to counter this problem. A lot of products that are said to be organic or otherwise known as -green products" are sought after and are in high demand. Anything on the label that says -Organic" or -Chemical Free" are said to not only have a positive impact on the environment but also the well-being of consumers. This effort continues on to the marketing of products. Many companies have taken upon themselves to -go green" by implementing green marketing as a way of telling the consumers that they too support this cause. Using social media marketing can have a higher impact of promoting green product.

However, just promoting green products is not enough to create acceptance in the market. For people to fully accept a product, this need to go beyond the surface and this involves the behaviour and the lifestyle of the consumer. Are the consumers willing to change to green products, are they environmentally concern?



1.3 Research Question

- 1. Does social marketing give a positive influence on Green Product Acceptance?
- 2. Does social marketing change the attitude of the consumer to accept green products?
- 3. What is the effectiveness of using social media marketing to promote green?
- 4. What is the impact of green marketing on green product acceptance?

1.4 Research Objective

- 1. To determine whether social marketing give a positive impact on green product acceptance.
- 2. To evaluate the influence of social marketing in the change the attitude of the consumer to accept green products.
- 3. To determine the effectiveness of using social media marketing to promote green product.
- 4. To analyse the impact of green marketing on green product acceptance.
- 5. To analyse the relationship between social marketing, green marketing and social media marketing to facilitate in green product acceptance.

1.5 Scope of Research

This research involves a great deal of social marketing, green marketing and social media marketing and the acceptance of the market for green products.

1.6 Importance of the Research

This research is important because the acceptance for green product is not very high especially in Malaysia. The researcher feels that the use of three types of marketing can help in terms of having green product awareness.



CHAPTER 2

LITERATURE REVIEW

2.1. Introduction

A literature review is a critical and in-depth evaluation of previous research. It is a summary and synopsis of a particular area of research, allowing anybody reading the paper to establish the objective of the research topic or program. It is also a critical analysis of a segment from published body of knowledge through summary, classification and comparison of prior research studies, reviews of literatures and theoretical articles. This chapter is focused on a discussion of the bodies of literature which includes the Green Product Acceptance, Green Marketing, Social Marketing and Social Media Marketing as well as the Honeycomb model. This chapter also describes the sub variables that facilitate in each of the independent and dependent variables. A theoretical framework is mapped out based on the literature reviews discussed in this chapter.

2.2. Green Product Acceptance

Companies and corporations realize that the consumers of today have different wants and needs and their awareness towards the environment is increasing day by day. Marketing managers responded by introducing more –green" products, or products that will not harm the environment. (Lemke, F. et al, 2013).

Green Product refers to product that incorporates the strategies in recycling or with recycled content. It can either be reduced packaging, or using organic materials. The main output is that it reduces the impact on natural environment. Green labelling is defined as a kind of eco standardization, green labelling is based on the standardization or principles and prescriptive criteria.

However, the acceptance level for green product is still very weak as the marketplace has not fully accepted it. There are a few factors that can determine whether a product is accepted by the market, and they are the green product quality, green customer satisfaction and green customer loyalty.

According to Chang and Fong (2010) in the journal –Green Product Quality, Green Customer Satisfaction and Green Customer Loyalty", these variables play an important role in positively impacting each other, which leads to Green Product Acceptance of the market.

2.2.1 Green Product Quality

Abdul-Muhmin (2002) and Chen (2006) defined green product quality as the dimensions of product features, product design and product package that are involves in energy-saving, pollution-prevention, waste recycling and being environmentally friendly.

2.2.2 Green Customer Satisfaction

Oliver (2006) and Barnet (2007) defined green customer satisfaction as the customer sensed that consumption fulfilled some need, goal, desire about environment or green concerns and that this fulfilment was pleasurable. It was the outcome of the consumption that the performance met or exceeded the green needs of customers, requirements of environmental regulations, and sustainable expectation of society.

2.2.3 Green Customer Loyalty

Reid and Reid (1993) and Oliver (1997) defined green customer loyalty as the customer wanted to maintain a relation with an institute which was involved environmental or green concerns and committed to re-buy or re patronize a preferred product consistently in the future. It was the intention to repurchase, the design to recommend, show tolerance for a higher price and purchase other products with an institute.

2.3. Green Marketing

Peattie (1995) describes green marketing as -the holistic management process responsible for identifying, anticipating and satisfying the requirements of customers and society, in a profitable and sustainable way". Green marketing is about companies applying sustainable thinking holistically, from the production to post purchasing service, aiming to balance the company's need for profit with the wider need to protect the environment. Polonsky (1994) defines green marketing 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'. Green marketing has received a considerable amount of attention from marketing practitioners and academicians, it has existed for decades and has been practised by business firms without having formally termed and recognized as such. (Kuhre, 1997).