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**Potong yang tidak berkenaan*

INVESTIGATING THE IMPACT OF GREEN MARKETING ON CONSUMER'S
PURCHASING BEHAVIOR TOWARDS ECO-FRIENDLY PRODUCTS

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Laporan Ini dikemukakan sebagai
memenuhi sebahagian daripada syarat penganugerahan
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JUNE 2014

“Saya akui laporan ini adalah hasil kerja saya sendiri kecuali ringkasan dan petikan yang
tiap-tiap satunya saya telah jelaskan sumbernya”

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DEDIKASI

Untuk keluarga, pensyarah dan rakan-rakan tersayang

PENGHARGAAN

Saya ingin merakamkan penghargaan ikhlas kepada penyelia, Encik Albert Feisal atas bimbingan dan dorongan yang diberi kepada saya sepanjang menjalani Projek Sarjana Muda ini.

Penghargaan juga merujuk kepada semua yang terlibat sama ada secara langsung atau tidak langsung dalam meringankan beban dan membantu menjayakan projek penyelidikan ini. Semoga laporan ini akan menjadi sumber rujukan yang berguna kepada pelajar lain kelak.

Abstrak

Sejak beberapa dekad dahulu, isu-isu hijau telah berlaku di seluruh dunia dengan usaha untuk mempertahankan sumber asli kami ketika mengurangkan kerosakan semasa ke arah Alam semula jadi. Strategi pemasaran hijau ialah salah satu pendekatan dimulakan oleh perbadanan sebagai satu usaha untuk bertanggungjawab atas Tanggungjawab Social Korporat (CRS) dan mengekalkan Alam semula jadi. Bagaimanapun, di sebuah Negara membangun seperti Malaysia, kesedaran pengguna produk hijau masih rendah disebabkan jumlah syarikat yang menggunakan strategi pemasaran hijau masih tidak cukup tinggi. Walaupun angka yang rendah pada perbadanan yang ambil strategi pemasaran hijau telah memaksa pengguna untuk sedar perubahan. Lantaranrannya, tujuan kertas kajian ini untuk menyiasat tahap kesan strategi pemasaran hijau dalam mempengaruhi kelakuan pelanggan dalam membeli produk-produk mesra alam. Kertas kajian ini akan mengenal pasti keberkesanan strategi pemasaran hijau korporat seperti pejenamaan hijau dan Eco label atas mencipta kesedaran pengguna mengenai isu hijau dan isu-isu alam sekitar, maka mengesa mereka untuk membeli produk-produk mesra alam. Kertas ini akan juga merangkumi kesediaan pengguna membeli produk hijau atau satu produk dihasilkan oleh korporat yang mengambil inisiatif hijau. Berdasarkan keputusan penyelidikan, 'Environmental Awareness' mempunyai satu kesan yang penting dalam mempengaruhi tingkah laku pengguna membeli produk mesra alam manakala kedua-dua 'Green Branding' dan 'Eco Labeling' tidak member impak yang ketara pada tingkah laku pengguna. Keputusan ini dijangka dari kekurangan persefahaman pengguna pada tujuan syarikat melaksanakan Green Branding and Eco Labeling dalam produl mesra alam

KATA KUNCI: Isu-isu hijau, strategi pemasaran hijau, green branding, eco-labeling, environmental awareness, produk mesra alam.

Abstract

Today, green issues have happened throughout a couple of decades with efforts to sustain our natural resources while reducing current damage towards the Mother Nature. Green marketing strategy is one of the approaches initiated by corporations as an effort to be responsible for Corporate Social Responsibility (CRS) and to preserve Mother Nature. However, in a developing country like Malaysia, consumer awareness of green product is still low due to the number of corporate who uses green marketing strategy is still not high enough. Despite the low number of corporations who take green marketing strategy as an approach, the growing number of environmental issues and green issues has forced consumers to aware of the change. Therefore, the purpose of this research paper is to investigate the impact level of green marketing strategy on affecting consumer purchasing behavior on purchasing eco-friendly products. This research paper will identify the effectiveness of the corporate green marketing strategy such as Green Branding and Eco Labeling on creating awareness of consumer regarding green and environmental issues, thus persuading them to purchase eco-friendly electronic products. This paper will also include the willingness of consumer to purchase green product or a product produced by corporate that takes green initiatives. Based on the results of the research, Environmental Awareness has a significant impact in affecting consumer purchasing behavior while both Green Branding and Eco Labeling does not impact consumer's purchasing behavior in significant extents. This result is due to consumer's lack of understanding on the purpose of corporate Green Branding and Eco Labeling been implemented into eco-friendly product.

Keywords: Green Issues, green marketing strategy, green branding, eco-labeling, environmental awareness, eco-friendly products.

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LIST OF SYMBOLS

%	-	Percentage
B	-	Beta value

LIST OF ABBREVIATION

GB	-	Green Branding
EL	-	Eco-Labeling
EA	-	Environmental Awareness
CPB	-	Impact on Consumer Purchasing Behavior towards Eco-Friendly Products
H	-	Hypothesis
Sig	-	Significance
Std	-	Standard

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Chapter 1

Introduction

1.1 Background of studies

Based on Suki, N. M. (2013), consumers' concern with green issues is a worldwide subject that is continuously changing their lifestyle into becoming more environmentally responsible. Meanwhile, green marketing relates to all activities designed to generate and facilitate any exchange intended to satisfy human needs or wants with minimal detrimental impact on the natural environment. According to Arnold, C. (2009), but rather than exercise carefully considered marketing many have jumped on the green bandwagon. However, according to Wagner, S. A. (1997), in recent years, environmental issues have received much attention, reflecting growing public concern and awareness of environmental problems.

According to Juwaheer, T. D. et al (2012), no doubt, considerable literature on green marketing and consumer buying behaviour is available worldwide, but there are inadequate researches which exhibit light on green marketing strategies and its impact on green consumer purchasing patterns in the context of developing countries. Besides that, social classes may be one of the important factors in affecting the consumer purchasing behaviour. According to Hundekar, S. G. et al (2010), social classes are divisions in the society which are hierarchically ordered and whose members share similar values, interests and it has been categorized into three major classes which are

upper class, middle class and lower class. Upper class consumers are rational. Lower classes show a limited sense of choice making.

Each class differs in their patronization, the reading habits, clothing habits etc. Upper class consumers were considered as consumer who was well educated regarding to product information. Middle class consumers were acknowledging within limited knowledge regarding to product information and lower class consumers tend to unable to understand the product information. Upper class consumers want products and brands that depict their social status. Thus, this study able to gives a fresh perspective in viewing the impact of green marketing strategy on consumer purchasing behavior towards eco-friendly products.

1.2 Research Questions

Although green marketing strategy has been used for a long time, however, in Malaysia it seems to be not bringing significant changes in consumer purchasing patterns. According to Sitkin, A. et al (2011), a major challenge for green marketing is how to educate consumers to favour products offering long-term benefits that accrue to society as a whole instead of short-term benefits that accrue to them. Besides that, according to Nik Abdul Rashid (2007), there is a missing factor that could increase purchasing behaviour of green products to a higher level and it would be the trust in the eco-label itself. The study of Nik Abdul Rashid (2007) also shows trust in eco-label between knowledge of green products and purchase intention has not been significant in Malaysia.

It is undeniable that higher in social class may tend to know more knowledge and have higher environmental awareness which leads to purchasing greener products rather than other social classes which have lower knowledge or education background.

According to Sitkin, A. et al (2011), lacking previous knowledge on how innovative green products work, potential buyer's initial reaction will often be one of incredulity.

Therefore, research questions are constructed as below:

1. How effective is the Green Branding and Eco labeling by corporate in promoting consumer to go green?
2. What are the factors that persuade consumer to purchase eco-friendly products?
3. How far does consumer able to aware of the environmental issues regardless of benefits in purchasing eco-friendly products?

1.3 Research Objectives

The objective of this study is to investigate how corporate green marketing strategy can affect the consumer's purchasing decision in different levels of education social class. This study is also to examine the effectiveness of the corporate green marketing strategy in promoting green to raise awareness among consumers.

The objectives of the study are stated as below:

RO1: To investigate the effectiveness of Green Branding and Eco Labeling can promote the consumption of green products.

RO2: To identify the level of awareness of consumer towards eco friendly electronic products.

RO3: To examine the willingness of consumer to purchase green product to what extent.

1.4 Scope

The scope of this research is to investigate the impact of the corporate green marketing strategy in consumer purchasing behaviour on eco-friendly electronic product based on educational background. The study will show the effectiveness of corporate strategies such as Green Branding, Eco labeling and environmental awareness to affect consumers to change their decision from purchasing non-green product to green product or a product with the Eco labeling.

Respondent of this research will mainly divide into two groups. First will be consumers who obtained university or college education background. This group is crucial in this research as they would see the widest difference in purchasing pattern compared with consumers who have non-university education background due to their limitation of knowledge. Second respondent will be consumer of non-university or college education background; will provide the standard behaviour of consumer purchasing pattern who has limited choice of product during specific factors.

1.5 Limitations

There are two limitations found during doing this research study. First, the study is to investigate the impact of green marketing strategy on consumer purchasing behaviour based on social class in terms of different education level. Location of the research will not have any specific places thus there is no specific places in doing the research. Second, the researcher will assume that all respondents will be able to answer with logical and honesty.

1.6 Importance of the project

The importance of the project is to know how much is the impact of green marketing strategies affecting consumer purchasing behaviour on eco-friendly product. The project is a practical study that benefits to corporations that would want to take initiatives to implement green marketing strategy. It is important to know that different groups of social class of consumer would need different strategy to maximize the effectiveness of the strategy.

Besides, corporate would need the effectiveness of their green marketing strategy whether would it be effective in consumer perspective. This project is also important as environmental issues are getting more and more attention from time to time, where corporate is obligated to take green initiatives to protect the environment. This project would serve as a research paper for corporate to understand more about consumer perspectives from different education levels of the social classes' consumer.

1.7 Summary

Green marketing strategy is a very effective way to promote consumer towards greener products. It brings benefits not only to consumers but it also brings significant benefits environmental and economical. Besides, corporate could manage the social obligation responsibility through taking initiatives with implementing green marketing strategy. Further study of this research could provide more understanding for corporations on how the strategy to bring impact towards different social levels of consumer and how could they improve the impact towards consumer.

Chapter 2

Literature Review

2.1 Introduction

This chapter was discussed about the outline of the green marketing strategy and its impact on consumer purchasing behaviour based on different education background. The theory of both green marketing strategy and consumer purchasing behaviour will be mentioned, including the approach, effectiveness, and differences on consumer with different background. Theory of green marketing strategy will be mentioned in section 2.2.1 and consumer purchasing behavior theory will be discussed in section 2.2.2. Latest news regarding green marketing or consumer purchasing behavior which related to my research will be mention in section 2.3. Theoretical framework of green marketing strategy on consumer purchasing behavior will be drafted into section 2.4

2.2.1 Theory of green marketing strategy

I. Green marketing

According to Dacko, S. G. (2007), marketing strategies and activities that emphasize sensitivity to environmental impact. Green marketing strategies and activities

may involve any number of means to protect, improve, or reduce damage to the natural environment as well as human health. While green marketing seeks to maintain the quality of the natural world in some way, a major benefit of its use is often in its appeal to environmentally conscious consumers. Marketers concerned with environmental impact may benefit from a better understanding of green marketing strategies and tactics to enable the firm to appeal to a greater extent to consumers with similar concerns.

II. Eco labeling

Eco-labeling is a promising market-based approach for improving the environmental performance of products through consumer choice. Although eco-labeling itself is not latest approach, eco-labeling to uphold energy efficiency or sustainability is a more recent phenomenon. Nik, N. R. (2009) state that eco-labels refer to a product's collective overall environmental performance. They are indicators of the environmental performance of a product, developed to try to avoid consumers from being confused over claims of environmental friendliness (Childs and Whiting, 1998).

III. Green branding

According to Hartmann, P. et al (2005), a green brand characteristic is defined by a specific set of brand attributes and benefits related to the reduced environmental impact of the brand and its perception as being environmentally imaged. A well-implemented green brand identity should provide benefits to environmentally conscious consumers.

IV. Environmental Awareness

According to *The Pachamama Alliance*, Environmental awareness is an integral part of the movement's success. By teaching friends and family that the physical environment is fragile and indispensable