

## APPROVAL

“I hereby acknowledge that i have read this thesis and in my opinion this work sufficient in terms of scope and quality for the award of Bachelor Degree in Technology Management (High Technology Marketing)”

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**ANALYSIS ON ENVIRONMENTAL FACTORS THAT AFFECT  
PURCHASE INTENTION OF GREEN PRODUCT**

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This report is submitted in partial fulfillment of requirements for the award of  
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Faculty of Technology Management and Technopreneurship  
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## DECLARATION OF ORIGINAL WORK

“I admit that this report is my own work except the citations which I have mentioned  
the source”

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## **DEDICATION**

This research paper is dedicated to my respective lovely parents Haji Roslee Bin Haji Hamid and Hajjah Hamidah Binti Ali who have been my consistent source of inspiration. They have given me the drive and discipline to tackle any task with enthusiasm and determination. Without their love and full support, this project would not have been made possible. Thank you for encourage me to on every adventure especially this one. Anything good has come to my life has been because of your example, guidance, and love.

Next, I also want to dedicate to my siblings who have always stood by me and dealt with all of my absence from many family occasions with a smile. Thank you also for the support morally and financially.

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Finally, with every single experience and knowledge I had gained during completing my research, I will share it with my university for our own goods.

## **ABSTRACT**

### **Analysis On Environmental Factors That Affect Purchase Intention Of Green Product**

The purpose of this study is to find out the factor of environmental supporting behavior leading toward purchase intention. The relevant behavioral theories regarding environmentally behavior and more specifically purchase intention have been reviewed. Variables include in research are environmentally friendly buying behavior, environmental activism, environmental knowledge and environmental concern which are supposed to be correlated with purchase intention of Malaysian citizen living in Melaka. The result of this research reveals that environmentally friendly buying behavior and environmental concern have significant effect toward purchasing intention. In other hand, environmental activism and environmental knowledge do not have significant correlation with purchasing intention.

Keywords: Purchase intention, environmentally friendly buying behavior, environmental activism, environmental knowledge and environmental concern.

## **ABSTRAK**

### ***Menganalisa Kesan Faktor Persekitaran Keatas Niat Pembelian Barangan Hijau***

*Tujuan kajian ini dijalankan ialah untuk mengetahui gelagat pengokong persekitaran keatas niat pembelian. Terdapat teori yang relevan telah dilihat. Pembolehubah yang terkandung dalam kajian ini ialah gelagat pembelian mesra persekitaran, aktiviti persekitaran, pengetahuan alam sekitar, dan prihatin terhadap persekitaran. Pembolehubah tersebut seharusnya mempunyai hubungan dengan niat pembelian penduduk Malaysian yang tinggal di sekitar kawasan Melaka. Keputusan dalam kajian ini ialah gelagat pembelian mesra persekitaran dan prihatin terhadap persekitaran mempunyai hubungan dengan niat pembelian. Sebaliknya, aktiviti persekitaran dan pengetahuan alam sekitar tidak mempunyai hubungan dengan niat pembelian.*

*Kata kunci : Niat pembelian, gelagat pembelian mesra persekitaran, aktiviti persekitaran, pengetahuan alam sekitar, dan prihatin terhadap persekitaran.*

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## LIST OF ABBREVIATIONS

FPTT	Faculty of Technology Management and Technopreneurship
UTeM	Universiti Teknikal Malaysia Melaka
IV	Independent Variable
DV	Dependent Variable
PI	Purchase Intention

**LIST OF SYMBOLS**

$<$	=	Less than
$>$	=	More than
$\alpha$	=	Alpha
$\pi$	=	Mean
$\%$	=	Percent
$t$	=	Test

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## CHAPTER 1

### INTRODUCTION

#### 1.1 Problem Statement

Nowadays people aware and concern about environment, environment degradation effect of acid rain, harmful gases, non-biodegradable plastics, this not only pollutes the environment such as global warming and depletion of stratospheric ozone layer but also harms full for human respiration system. To investigate wheatear environmentally friendly buying behaviour, environmental knowledge, or environmental concern are related to purchase intention or not. What are environmental supporting behaviour leading to purchase intention?

#### 1.2 Background of the study

Nowadays, rapidly growth in the economy and the pattern of consumer's consumption and behaviour nationwide are the main cause of environmental turn down. As the environment continues to intensify, it has become a resolute public concern in the developed countries and has recently awakens developing countries to the green society.

This study focuses on the identification of the distinct market segment and also on the individual's behaviours and perceptions about green consumerism. In addition, these study also focusing on the identification of

the environmental consciousness of consumers or on the development of scales for measuring the level of environmental concern. Moreover, to see customer purchase intention pattern when shopping goods.

The variables in this study are environmentally friendly buying behaviour, environmental activism, environmental knowledge, and environmental concern. In addition, purchase intention is the dependent variable for this research. Over the last few decades, the world has seen an exponential growth in the number of campaigns promoted by environmentalist groups which focus on the subject of environmental deterioration (Thogersen, 2006). Hopefully we able to protect our planet, the most important commit to reducing our impact on the environment by reducing energy we consume and being green consumer.

### **1.3 Research Question**

As per below show the research questions need exploring:

1. What happen to purchase intention toward green product when they are not aware of environment?
2. What are environmental supporting behavior leading to purchase intention?

#### **1.4 Research Objective**

The objectives of study are state as below,

1. To determine the effect of environmentally friendly buying behaviour toward purchase intention.
2. To determine the effect of environmental activism toward purchase intention.
3. To identify the effect environmental knowledge toward purchase intention.
4. To identify the effect environmental concern toward purchase intention.
5. To confirm which variable has the most significant effect toward purchase intention.

#### **1.5 Scope of Research**

Tied closely to the purpose of the source is its scope (Cooper and Schindler, 2000). The scope of this research to investigate environmentally friendly buying behaviour, environmental activism, environmental knowledge, and environmental concern are related to purchase intention.

#### **1.6 Importance of the Research**

The importance of the research is to investigate purchase intention based on pro-environmental behaviour. Moreover to increase people's awareness about the impact of consumer purchase behaviour to earth.

## 1.7 Summary

High technology grows together with pollution in earth. This increase awareness and education about environmental friendly toward purchase intention. This will give them idea to purchase green product for daily use. Other than that, it will give high impact to other use have purchase intention influence to be green consumer and help nature avoid from pollution for next generation sake.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Introduction

This chapter is discussed about the definition of purchase intention. In addition, in here the meaning of green product was explained. The customer attitudes also had being discussed in the chapter. In addition, is explaining the environmental attitudes. Furthermore, theoretical framework of the research had been drafted and also being shared. Its name with figure name theoretical Framework for pro-environmental behaviour. Moreover to identified the attitude of purchase intention.

#### 2.2 Purchase Intention

According to (Ruse.C, 2002) definition of purchase is the act of buying or something bought. In addition, definition of intention is aim or determination to do something. The interaction of country of origin and brand personality is an important conceptual and managerial issue. When buying branded products, consumers' purchase intention may not be influenced only by brand perceptions, country of origin image may both directly impact purchase intention and indirectly influence the impact of brand personality on purchase intention, which means that their interaction effects may occur when consumers engage in purchase activity. (Wang, X., and Yang, Z, 2008).

### **2.3 Green Product**

Green product refers to product that incorporates the strategies in recycling or with recycled content. In other words, it reduced packaging or using less toxic materials to reduce the impact on the natural environment. Besides that, green product is a term that describes a product that protects the environment and replaces artificial ingredients with natural ones. Green products are less harmful to human health and they conserve energy.

Define green labelling in the following way as a kind of eco-standardization, green labelling is based on the standardization of principles and prescriptive criteria. This type of eco-standard is market based and consumer oriented, and it relies on symbolic differentiation (Harold, 2012)

### **2.4 Environmental Knowledge**

Consumers' environmental knowledge of organic food does not obviously affect their purchase intention (Yin et al., 2010).

### **2.4 Environmental Attitudes**

According to Schultz and Zelezny (2000), "attitudes of environmental concern are rooted in a person's concept of self and the degree to which an individual perceives him or herself to be an integral part of the natural environment". Moreover (Blackwell et al., 2006) explain attitude represents what consumers like and dislike. Describe consumers' product purchasing decisions are often based on their environmental attitude. (Irland, 1993; Schwepker and Cornwell, 1991)

There is a general belief among researchers and environmental activists that through purchasing environmentally friendly products or green products. Products with recyclable packaging or properly disposing of non-biodegradable garbage, consumers can contribute significantly to improve the quality of the environment (Abdul-Muhmim, 2007).

The quality of the environment depends critically on the level of knowledge, attitudes, values and practices of consumers (Mansaray and Abijoye, 1998). Attitudes are the most consistent explanatory factor in predicting consumers' willingness to pay for green products (Chyong et al., 2006). This mean, the price is not the major factor in preventing consumers from purchasing green products if they are pro-environment. All this because of environmental attitude toward become green consumer and buy green product.

According to Tanner and Kast (2003), green food purchases strongly facilitated by positive attitude of consumers towards environmental protection. Personal norm is the feeling of moral obligation of consumers. It is a powerful motivator of environmental behaviour. The extent to which people feel obliged to recycle is related to conservation-related product attributes (Ebreo et al., 1999). This research suggested that environmentally friendly behaviour may be characterized as pro environmental behaviour. Consumers feel morally responsibility to protect the environment and to save the limited natural resources on the earth.

This has created demand environmentally sustainable policies to be strategized and green initiatives to be planned, developed, and implemented. Organizations need to shift to a more customer-oriented focus to increase their competitiveness, comply with governmental regulations, decrease operational cost, and project themselves as being more environmentally friendly and socially responsible besides satisfying consumer demands by being more eco-friendly. ( Speshock, 2010 )

Concerns related to the environment are evident in the increasingly environmentally conscious marketplace. Over the years, a majority of consumers have realized that their purchasing behaviour had a direct impact on many ecological problems. Customers adapted to this new threatening situation by considering environmental issues when shopping (e.g. checking if the product is wrapped in recycled material). In addition by purchasing only ecologically compatible products such as biodegradable paint, CFC-free hairspray or unbleached coffee filters. Perhaps the most convincing evidence supporting the growth of ecologically favourable consumer behaviour is the increasing number of individuals. For those who are willing to pay more for environmentally friendly products.

A multidisciplinary body of research attests to the powerful sway that moral concerns have over individuals' attitudes and behaviour (Chen, Pillutla, & Yao, 2009; Lakoff, 1996). When a person's attitudes are rooted in morality, they become intertwined with intuition and emotion (Haidt, 2001).

## **2.5 Environmental Concern**

Consumers' environmental concerns for their own health, degree of trust in organic food, degree of acceptance of current price, and income have a significant impact on their purchase intention of organic food (Yin et al., 2010). Consumers' concerns for environmental protection and current food safety, knowledge of organic food and convenience of purchasing have a weak effect on their purchase intention. (Yin et al., 2010)

According Roper ASW (2002) report produced somewhat disappointing results with overall environmental concern among the general population on a decline with 59 per cent of the general population not even thinking of participating in environmentally friendly activities. In spite of a waning interest in overall environmental protection, the same poll surprisingly revealed that contrary to the above pattern, Americans were