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THE FACTORS OF GREEN MARKETING THAT AFFECT CONSUMER
PURCHASE BEHAVIOUR AMONG YOUNG ADULTS IN MELAKA

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DECLARATION OF ORIGINAL WORK

“I hereby declare that the work of this exercise is mine except for the quotations and summarize that have been duly acknowledge”

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DEDICATION

This research paper is loving to my respective parents who have been a constant source of inspiration for me. They have given me the drive and discipline to handle any task with passion and determination. Without their love and support, this research might not be possible.

Next, I also want to dedicate to my siblings who have always stood by me and dealt with all of my absence from family occasions with a smile. Thank you also for the support morally and financially. Last but not least, thank you also goes to my friend, Nur Suhada Binti Shammidi and Mohd Nasip Bin Agus for helping me to distribute the questionnaire. Thank you for your time and patience for helping to find my respondents. It helps me a lot.

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ABSTRACT

The aim of this study is to investigate the factors of marketing that affect consumer purchase behaviour among young adults in Melaka. Nowadays, consumers did not really care about the current issues that happen to surround them. To support the environment, green marketing is an effort by a business to produce, promote and package and take products in a sensitive manner and responsive to ecological concern. As such, 4 independent variables had been identified in this research to determine consumer purchase behaviour. The independent variables are a factor of green marketing which is social influence, environmental awareness, price and individual factors that affect consumer purchase behaviour. A survey-based on 384 sample size was distributed to collect respondents' answer, while data collected were analysed quantitatively. The researcher used Pearson correlation analysis for the hypothesis testing along in gathering the result for the objective. The sampling design that been chose was random sampling method. The data is analysed by using Software Package for Social Science (SPSS). Based on the results of the research, social influence, environmental awareness, price and individual factors are significant with consumer purchase behaviour. The most factors affecting consumer purchase behaviour is individual factors. For the limitations the researcher do not get any information, feedback times of the respondents are very limited and respondents might not able to fully understand and terms in the questionnaire. After facing the limitation the researcher makes a recommendation for future researcher so that they can use to make them easy doing the research such as using qualitative method, wide the data collection area and diversify the target respondents for gathering different background of information.

ABSTRAK

Tujuan kajian ini adalah untuk mengkaji faktor pemasaran yang mempengaruhi kelakuan pembelian pengguna di kalangan orang dewasa muda di Melaka. Kini, pengguna tidak begitu peduli terhadap isu-isu semasa yang berlaku mengelilingi mereka. Untuk menyokong alam sekitar, pemasaran hijau adalah usaha oleh perniagaan untuk menghasilkan, mempromosikan dan membungkus dan mengambil produk secara sensitif dan responsif kepada kebimbangan ekologi. Oleh itu, 4 pembolehubah bebas telah dikenal pasti dalam kajian ini untuk menentukan tingkah laku pembelian pengguna. Pembolehubah bebas adalah faktor pemasaran hijau yang mempengaruhi sosial, kesedaran alam sekitar, harga dan faktor individu yang mempengaruhi tingkah laku pembelian pengguna. Kajian berdasarkan 384 saiz sampel telah diedarkan untuk mengumpul jawapan responden, sementara data yang dikumpul dianalisis secara kuantitatif. Penyelidik menggunakan analisis korelasi Pearson untuk ujian hipotesis bersama dalam mengumpul hasil untuk objektif. Reka bentuk persampelan yang telah dipilih adalah kaedah pensampelan rawak. Data dianalisis menggunakan Pakej Perisian untuk Sains Sosial (SPSS). Berdasarkan hasil penyelidikan, pengaruh sosial, kesedaran alam sekitar, harga dan faktor individu adalah signifikan dengan tingkah laku pembelian pengguna. Kebanyakan faktor yang mempengaruhi tingkah laku pembelian pengguna adalah faktor individu. Untuk keterbatasan penyelidik tidak mendapat apa-apa maklumat, masa maklum balas responden adalah sangat terhad dan responden mungkin tidak dapat memahami sepenuhnya dan terma dalam soal selidik. Setelah menghadapi batasan, penyelidik membuat cadangan untuk penyelidik masa depan supaya mereka dapat menggunakannya untuk membuat mereka mudah melakukan penyelidikan seperti menggunakan kaedah kualitatif, luas kawasan pengumpulan data dan mempelbagaikan responden sasaran untuk mengumpulkan latar belakang maklumat yang berbeza.

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CHAPTER 1

INTRODUCTION

1.1 Introduction

It is to address the context of current research for the introduction, issue statements emerge, research questions identified, and this study's research goals. In addition, this chapter also discusses the rationale for the analysis, the nature of the research from the result that researcher get from the respondents, and also clearly defined the significance of the study. Ultimately, the research organization also had a clear explanation in this chapter.

Green marketing is the most important factors that can influence environmental business, although the factors has still fresh to the people of Asian's countries, particularly in Malaysia. Moreover, Asian's countries is the main audience for international advertisers because of their countries have been increased in term of environmental consciousness and purchasing power. Nowadays, the rapid population become speed and the world has changed the trend of behaviour among consumer and has directly or indirectly give impact of the population, according to (Gruber & Schlegelmilch, 2014). However, technology advance and wasteful use have led in many environmental issues. On the other hand, proactive marketers promote green consumers actively. As discussed earlier in the field of green marketing, popularity

has increased in Asia, leading to increased consumer awareness (Udin & Khan, 2016).

Indeed, to fully understand about the development marketing, young consumers need to be aware of environmental changes in order to have the experience of making future decision-makers. The study prove by Barnes & Lescault (2014), whereas global buying mostly from young adults in 2015 was \$2.45 trillion. Can be predicted that the so-called "Baby Boomers" spending will higher rapidly and is likely most exceed by end of the year 2017, prove by (Business Wire, 2013). Today's, consumer behaviour might have a positive starting point in this situation if there is sufficient motivation for younger generation consumers to actively contribute to sustainable growth and green purchasing (Lai & Cheng, 2016). According to Prakash & Pathak (2017), says that researchers recommend that the conceptualization of sustainable use for young adults is the main stakeholder. According to Deloitte (2014), based on the research shows the young consumers are mostly favourite by use of environmentally friendly items.

1.1.1 Background of the study

In this era, the important main changes in rapid demographic, technology and industrial development have increased human activity's environmental impacts. Plus, climate change, a gradual reduction in the ozone layer, stressed the degradation of the natural environment, increased pollution, decreased electricity, increased raw material use and increased dumped goods (Dabija, Postelnicu & Dinu, 2018). Identifying these strategies, measures and methods to address and efficiently resolve global issues resulting from the need to protect the world. Many of environmental issues have been related to human behaviour, leading to increased environment concern of parts in this era, and it then turned into their desire to purchase eco friendly products.

However, global issue, climate change and pollution issues have been raised internationally in recent years and from this issues making consumers more aware of

their environmental. Green marketing has start to give affect to the customers and business, as discussed previously by Dzulkarnain, Santoso, Ariqoh, & Maulida (2019). Therefore, green marketing is variety of activities making and offer different types of transactions aimed at fulfilling people's desires and needs with minimal impact on environmental destruction. On the other hand, mostly the company that use green marketing is because the company feel that they got the responsibility to be concern and aware to their environment. Plus, green marketing is the major strategies of companies and shows positive results worldwide that proved by (Kushwaha & Sharma, 2015). For example, green growth, green pricing, eco-labeling and recycling are diverse is the types of green marketing program. Nonetheless, consumers get confused several times when recognizing the green product on the market. Proved by the resarch from Germany in 1978 (Brecard, 2014), raising the consumer confusion, and eco-labeling was implemented. For example, eco-labels tend as a logo; but far beyond that, their function is far greater than other places that display the name of the product. It was noted the green marketing represents as a new business trend, not only as manufacturers of renewable goods under competitive advantage, but also as social actors responsible for promoting sustainable development.

However, Malaysia is the one of the countries that involved in sustainability initiative which is "Supporting Developing Countries Tracking Progress towards Green Economy." This initiative is set up by the Green Economy Indicators (GEI) in Malaysia, with a total of 79 GEIs certified since 2017 as national green indicators. Next, customers in this world are gradually becoming conscious of the climate. It has, of course, led the green revolution and demand, which helps to protect environmental. Nevertheless, the green living experience of the Malaysian people is still in its infancy relative to a Western national (Lee, Ling, Yeow & Hassan, 2014). The results shows that only 8% of Malaysia's respondents have changed their behaviour in getting benefit of the environment proved by previous study from, based on our Green World (2008).

The key issue to consider is that the environmental buying operation of Malaysia's customer are not as powerful as the Western's countries. People has

mostly recognised their buying decision easy to affect in the worldwide ecological issue. Nonetheless, the government of Malaysia has made an effort to allow green transactions for Malaysia (Nezakati, Hossienpour & Hassan, 2014). For example, customer buying behaviour is one of the major concerns to encourage future participation in these surveys. It need to consider that green buying behaviour was related to climate, technology, and communications technologies which is in internet and social media, consumer awareness and environmental concerns (Cohen, 2014), including population growth (The New York Times, 2015) and global awareness (NASA, 2015). The number and extent of environmental regulation has also been increased by many governments based on the results in the, EPA (2015).

1.2 Problem statement

The goal of this study is to define the buying behavior among consumers of young adults towards the green product. The research also analyzes how the purchasing behaviour of young adults influences the variables of green marketing. The concept of "Green" known in the mainstream of the business that can be proved from an approximately 83% of Malaysia people from online questionnaire showed that their purchasing decision will an affect on the basis of their perceptions of how the company implemented environment protection from the research of Our Green World (2008). Therefore, it can give profitable business for people, if their sell environmentally friendly products and services. In this scenario, many organizations including EcoKnights (Tang, 2014) succeeded in developing and promoting the green initiative for society.

Moreover, global warming in our world is no longer a concept, actually it is going on in this period. For each country, it become a important issue for each nation. Referring for Appendix A, shows that Malaysia's carbon emissions rose rapidly in 2013, and clear data on mean temperature of Malaysia dropped off from 2009 to 2013. Such data can be as a consequence of the global warming crisis in Malaysia. More understanding of the environment generates problems for clients and has an impact on the our world. In this scenario, the result of their purchase

behaviour, current customers are becoming increasingly aware of their moral responsibilities and their immediate consequences on the world (Bisschoff, 2016). In addition, the less understanding of green marketing has an effect on our climate, as many of the goods are re-manufactured using unregulated materials, and the person making the company still considers profit to benefit our world.

However, lack of awareness in climate can impact green marketing campaigns for young adults. This can make young adults may not impressed to buy eco-friendly products, because they do not believe that purchasing the green product is necessary because they are less aware of green marketing. Researcher have proved that young adults have not concern in a green and do not bear in mind about Malaysia's environmental problem. This shows the young adults do not realize the benefits and value in purchasing an eco-friendly product can preserve the world. Hence, to ensure that the ecosystem is protected, preserved and maintained, the young adults must have environmental knowledge. Government or NGO can also promote green product by using green marketing to attract young adults to purchase the green products.

1.3 Research question

The goals set out in this preceding part of the present chapter, there have other question was asked to be answered the research planning of the current study:

- i. What are the factors of green marketing that affect young adults purchase behaviour?
- ii. Is there any relationship between the factors of green marketing and young adults purchase behaviour?
- iii. What is the most factor of green marketing that affecting young adults purchase behaviour?

1.4 Research objective

There is objective that researcher developed to answer research question on this study:

- i. To identify the factors of green marketing that affect young adult purchase behaviour.
- ii. To analyse relationship between the factors of green marketing and young adult purchase behaviour.
- iii. To investigate the most factors of green marketing that affecting young adult purchase behaviour.

1.5 Significance of the study

This research seeks to evaluate how the factors of green marketing influences conduct in the purchasing of young adults. Past literature review studies describe the current youth purchasing features, include features, and assess which factors have a significant affect on the purchase process of a young adults. Green marketing also describe in how young adults will improve their purchasing habit of green goods. The main idea of making this study is to know how the past and current buying behavioral among young people and to analyze how green marketing influence the young adults in order to meet their needs, wants, protect and dispose of products or services.

1.5.1 Theoretical contribution

All theoretical research studies contribute to our understanding how green marketing affect purchasing behaviour among young adults. This study also helps us to determine which is the main important factors that affect the consumer's buying behaviour to make a decision on buying green product's. This study primarily

affected by perceived consequences and subjective preferences. This factors developed by using the theory of "planned behavior theory" (TPB) and the "theory of reasoned action" (TRA) that affect consumer buying behaviour among young adults in Melaka. Therefore, the greater possibility for young adults to purchase a eco-friendly product when the attitude of the young adults towards green marketing is optimistic.

1.5.2 Practical contribution

This study's is evident that green marketing is an eco-friendly approach that meets consumers ' needs and wishes. For instance, the main important factors of organiation to embrace the green marketing idea is the increased awareness and willingness of the customer to prefer Eco certification products. In implementing green marketing in our lives, there is an advantage that can affect our decision to buy a green product. In this scenario, by emphasizing environmental benefits, green marketing is knon as selling products or services. Whereas the goods or services created through the use of natural resources to produce eco-friendly goods, while people also can focusing on environmental protection. The young adults concern that green marketing would affect their ability to buy Melaka's green commodity. Therefore, this work contributes significantly in the field of decision-making of consumer by purchasing a eco-friendly product.

1.6 Research scope

This study being addressed here is about the factors of green marketing that affect young adults buying behaviour interm of purchasing the goods. The population of this study among young adults in Melaka. Moreover, the priority respondents between aged above 18 to 35 years old those who stay in Melaka and likes to purchase products. During collecting the information that related to this article, the researcher was using 2 types of data which is primary data for collecting

questionnaires from the different aged of respondent and using secondary data for analyze journal articles, databases, studies and news articles.

1.7 Definition of the key terms

The definitions of the key terms are shown in the table below:

Table 1.1: Key terms

| Key terms | Definition | Sources |
|---|---|---|
| DV: Consumer Purchase Behaviour | Consumer behavior is the actions of a person who considers environmental or social issues surrounding green product and how they we make their purchasing decisions with regard to the environmental effects. | (Marija Ham et al., 2015) |
| Green marketing | Describes about selling product or services revenue by stressing environmental benefits. | (Ward, 2018) |
| IV: 1.Social influence 1.1 Attitude 1.2 Coercive power | "Change in the views, emotions, attitudes or behaviors of an individual resulting from contact with another person or group" Attitude is the most reliable indicator of green buying behaviors and environmental concerns do not impact geen behaviors significantly. Individuals, like family, acquaintances, colleagues and business partners, can be affected by their social environment. | (Choshaly, 2017) (Maheshwari, 2014) (Anvar & Venter, 2014). |
| 2. Environmental | Referred to as environmental | (Altin et al, 2014) |

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| awareness | awareness and active involvement in the organisation in the environment. | |
| 2.1 Environmental concern | Environmental concerns and social norms help in shape human action and anticipated them. | (Paul et al., 2016) |
| 2.2 Campaign | Most politicians design environmental campaigns and education to deliver the environmentally friendly messages to the public. | (Neo Sau Mei et al., 2015) |
| 3. Price | Price as ordered, offered, or paid in respect of an item. It is therefore clear that high prices have a negative impact on green purchasing behaviour. | (Parker, 2015) |
| 3.1 Product attributes | Product quality is the dominant factor that influences the attitude of the customer towards a product. | (Aynadis, 2014) |
| 3.2 Green promotion | Believes that the packaging strongly influences a consumer's choice of a green product. | (Agyeman, 2014) |
| 4. Individual factors | Generally, these variable results from individual life experiences such as attitude, values and personality that influence the decision-making process of an individual. | (Joshi & Rahman, 2015) |
| 4.1 Knowledge | Environmental trust and perceived market productivity in the relationship between environmental product knowledge and green buying intention. | (Hong Wang et al., 2019) |
| 4.2 Decision | Habit and past patterns direct consumer preferences and affect | (Josh & Rahman, 2015) |

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| making | their buying behaviour, and it is hard to change these habits. | |
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1.8 Organisational of research

This research report consists of five chapters that are briefly listed as follows;

Chapter 1: Introduction

This chapter will address the summary of this study background impact green marketing behavioral for young adult purchasing. The focus areas that are highlights the study context, problem statement, research goals, research questions, and study significance.

Chapter 2: Literature review

In this chapter, the results of the past relevant to this field of study will be discussed and examined by other researchers. The theoretical basis for this analysis will be focused on reviewing the related papers and articles in order to identify the search topic interest. In addition, the essential variables that influence this research will be checked for this report. Discussion areas include literature review, review of appropriate theoretical models, proposed theoretical framework, as well as development of hypotheses.

Chapter 3: Methodology

The research methods and techniques for this analysis will be described in this chapter. The highlight areas are the research framework and the creation of hypotheses. When generating some hypotheses in the system, the instrument used to construct the questionnaires also highlighted the consistency of the survey. The next item that has been drafted is the sampling strategy, including the number of targets