

Chapter 2 literature
review 2.1
environmental quality
in malaysia



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According to report from Department of Environment Malaysia, 2006, Malaysia experienced a short period of slight to moderate haze due to trans-boundary pollution from neighboring countries. Different states have the differed air quality status according to the geographical locations, the industrial and commercial activities, populated areas and the traffic conditions. During that period, especially in Klang Valley, one of the area in Malaysia was more exposed to be effects to air pollution than any other areas. Statistic shows that, the air quality there was good only 23% of the time, moderate 70% of the time and the remaining 7% at an unhealthy level.

As a developing country, Malaysia faced in a numerous challenge to ensure a balance between environmental sustainability and development. River quality, urban air, deforestation, household and hazardous waste are some of the major serious and worrying environmental problems faced by the country According to The Ninth Malaysia Plan (2006-2010) report, Malaysian government allocated RM510 million for cleaning, preserving and beautifying rivers; RM530 million for coastal management; RM200 million for reforestation; and another RM70 million for the management of wildfire and protected areas to ensure environmental sustainability and resource management. In a global environment article stated that, Solid waste is one of the three major environmental problems in Malaysia. It plays a significant role in the ability of Nature to sustain life within its capacity. Currently, over 23, 000 tonnes of waste is produced each day in Malaysia. However, this amount is expected to rise to 30, 000 tonnes by the year 2020. The amount of waste generated will continues to increase. It is because due to the

increasing population and development in this country. It will be assumed that, it will be only less than 5% of the waste is being recycled.

Rivers represent the lease of life which pulses through the earth. It is a finite and only source of water. In Malaysia, there are almost 1800 rivers. Sadly, more than half of these rivers have been polluted and destroyed. Improper solid waste management contributes greatly to river pollution. Improper solid waste management also contributes to climate change - decomposing waste produces methane and production of new products to meet demand emits greenhouse gases and utilizes natural resources. Therefore, a change towards more sustainable consumption patterns is required.

2. 1. 1 Concern of environment

There are many reasons and factors that affect consumer especially Gen-Y to buy a green product. According to Mostafa (2007), green purchase behavior or environmental friendly buying behavior is the ingesting of products that are beneficial to the environment, recyclable or conservable, Sensitive and responsive to ecological concerns. Concern for the environment is perceived to be important in encouraging consumer to participate in green program and also buying a green product. Research finding suggest that, moral concerns determine several curtailment behaviors (Goldstein et al., 2008; Hage et al., 2009). However, studies on the influence of moral concerns on consumer high involvement buying decisions with environmental implications are rare (Thøgersen, 2005). This is a problem since overlooking an influential determinant might hinder or delay successful diffusion of environmentally friendlier products and innovations. Consumer identify environmental protection as a priority for governmental policies and this <https://assignbuster.com/chapter-2-literature-review-21-environmental-quality-in-malaysia/>

interest has led to an increase in ethical production-for both consumer and non-consumer products (Finisterra do Paço et al., 2009). Sensitivity to environmental issues shifts consumer behavior towards supporting the growth and diffusion of green marketing and ecologically-conscious consumer behavior - including: consumer preference for greener firms, increase in demand for greener products. (Alsmadi, 2008; Finisterra do Pacao et al., 2009) found that greater awareness of environmental problems, increased media coverage, impact of major industrial disasters on public opinion, and the rise of pressure group activities are among the factors driving environmental concerns.

2. 2 Green marketing

Grant, John.(2008)define the green as a brand that that offers a significant eco-advantage over the incumbents and which hence appeals to those who are willing to making green a high priority. Soonthonsmai (2008) defined a green marketing as the activities that have been action by firms that are really concern about the environment by convey the environmentally sound goods or services to build and create consumers satisfaction. Other definitions of green marketing as suggested by marketing scholars are include social marketing, ecological marketing or environmental marketing. Harrison (2008) suggest that green marketing strategy by firms through positioning the environmental benefits of green products to consumers' perception to influence their purchasing decision. Peattie (2007) and Welford (2000) defined green marketing as the management process responsible for identifying and satisfying the requirements of customers and society in a profitable and sustainable way. In reality, companies that are

going to pursue green marketing encounter various challenges mainly from the variability of demand, un-favorable consumer perception and high cost (Gurau and Ranchhod, 2008). The most key concern lies in an understanding of green consumers and their characteristics and it will help firm to enable and to develop a new target and segmentation strategies (D'Souza et al., 2008). Dwyer (2009) defined "green" as the products to be designed, commercialized, and used which are capable of reducing sources of pollution and minimizing risks to human health and the environment. On the other hand, there are product sector specific examples of research on green buying process, such as food and household products (Vantomme et al., 2005) and clothes (Shaw et al., 2006)

2. 2. 1 Consumer preference on green product

The dependent variable in this study is the factor that affecting consumer preferences for green products. Everyone in this Earth, play a major role as a consumer. Consumers are the main factors that boost a country's economy. Each and every consumer has their very own perspective and preferences towards what they consume. Consumer from different demographic factors such as background and society may influence their behavior in making decisions while to purchase products. Thus, it is undeniable that consumers' preferences and their perspective towards goods and services are hard to predict.

D'Souza et al. (2006a) found out in their research that consumers' perception on green products did not influence by any criteria such as packaging, label and ingredient of a product. The important finding

from D'Souza et al. (2006) was that green consumers will be rely more on <https://assignbuster.com/chapter-2-literature-review-21-environmental-quality-in-malaysia/>

their personal experience in using the green product rather than assess a green product base on marketers' provided information. Interestingly, this finding however contradicts to Taghian and Lamb's finding. They found that consumers are getting more environmental information by look at a product labels before deciding to purchase it. It is mean that, labels are important to capture consumer impression to buy a green product. Rashid (2009) in his study stated that eco label is an important factor that would enable consumers to make the right purchase choice if they faced with a situation that required them to taking their consideration of the environmental impact on a product that they wish to purchase.

The importance of consumers has lead to many researches to be conducted in order to study on their behavior and attitudes towards what they perceived on the products. Barr and Gilg (2006) was found that green purchasing behavior was the least popular activity alongside activities such as recycling and habitual household activities. However, not surprisingly, green consumers do consider environmental factors when purchasing products, but engaged more frequently in activities such as switching off lights and recycling paper (daily activities). Wheale and Hinton (2007) suggested that amongst the population of green consumers there is a hierarchy of importance of ethical drivers in the purchase decision-making process. The environment and the quality of the product was rated as the most important ethical driver during purchasing decisions. The finding from D'Souza et al. (2006) was if product is lower in quality, consumers would not have interested to purchase the products even though they were always reading labels outside the product. Furthermore, if ordinary product is

more expensive compared to a green product, consumers might have intention to buy green products because of the benefit and the cost.

Therefore, D'Souza et al. (2006) concluded from their study that consumers were not compromised to lower product quality.

2. 3 Knowledge and attitude towards environment and green product

Knowledge and attitude towards environment are very important to influence consumer especially Gen-Y To purchase green products. There is a general belief among the researchers and also the environmental activists that by purchasing environmentally friendly products or green products, products with a recyclable packaging or properly disposing of non-biodegradable garbage, consumers indirectly can contribute significantly in order to enhance 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, 2005). Attitudes are the most consistent clarifying factor in predicting consumers' willingness to pay for green products (Chyong et al., 2006). This means, price is not the main cause in avert consumers from purchasing green products if they are pro-environment. Researcher also found that Influencing consumer behaviour is a complex and difficult task requiring knowledge of its determinants. The most convincing support of the growing influence of the ecologically-friendly consumer is the increase in the number of individuals that are willing to pay more for environmentally friendly products (Bang et al., 2005).

2. 4 Social norm and value perception influence consumer to buy green product.

Studies have also investigated the effect social influence has affect consumer especially Gen-Y purchase green product. The interest in green initiatives is not expected to emanate only from external impositions and inducements but also from the internal sense of responsibility of a firm towards the society in which it exists. For green issues, such sensitivity is intensified by increasing environmental problems such as global warming and pollution. Such problems may also raise awareness and interest of a firm to behave in a more socially responsible manner and reflect an image of due diligence and commitment to sustainability. Green purchasing is primarily motivated by a certain degree of consumer ecological consciousness. Frey and Stutzer (2006) identify a number reasons behind “ environmental motivation”: intrinsic motivations, altruism, internalized norms and social norms.

Social norms lead individuals to take into consideration the opinions of the other members of society when choosing a green product over another: if they think that their acquaintances approve of green product purchase and disapprove of standard product purchase, there are encouraged to buy green products. (Ewing, 2005) stated that social norms are an important motivator of ecologically responsible behaviour. The strength of the normative influence of the consumers’ family and social groups on purchasing decisions depends on the characteristics of the product (e. g. luxury rather than a necessity).

Value perception is the conception one has of oneself. Study in marketing influence on consumer purchase decision on green product, value perception was influencing green behaviours. This agrees to Lee(2008) finding value perception as the third predictor of her study. Apart from behavioral aspects, numerous studies have also looked at the relationship between demographic and socioeconomic variables and purchase green product involvement.

Kinnear, T. and Taylor, J. (1973) stated that there has been no significant link found between demographic segmentation and green purchase. This could be due to the notion that different groups of people relate to different parts of the environmental agenda Peattie, K. (1995). There have been contradictory results of younger and older age groups concerns about environmental issues Peattie, K. (1995). There is, however, a belief that environmental concern is directly related to a consumer's level of education Balderjahn, I. (1988). Based on four surveys, Hines et al. found no relationship with gender.