

Rising concern on environmental issues marketing essay



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There has been a rising concern on environmental issues worldwide nowadays. Ministry of foreign affairs statistic shows that over the years, the temperature has been rise because of carbon dioxide trapped and green house gases have affected the global climate. This change will affect the people live all over the world. This also includes access to water, health, food and the well being of the environment. Today's consumers have started to realize that their purchasing behavior actually cause a huge impact to the environment. Therefore, companies should practice offering environmentally friendly products and service to people to prevent this world become worse.

Although, Malaysia has undergone an excellent development followed governmental efforts to attract foreign investor to come and invest for a green product development in Malaysia, the practices of environmental responsible behavior are still low among Malaysian consumers.

An example of the lack of environmental responsible behavior is shown in an article in Bernama whereby garbage thrown by one of the state in Malaysia residents is the main cause of river pollution in the state. According to a survey which was conducted on line by global market insight and information group, on the aspect of eco-friendliness of habits and behaviors only 8% of Malaysian respondents responded that they have changed their behavior in a greatest deal to benefit the environment.

In addition 83% respondents reported that their views on a company's and their College's friendliness to the environment would influence their purchases of products and services.

Therefore, studying the determinants of generation-Y consumers green purchase behavior will be definitely benefit green marketers. Generation-Y (also known as a millennial) is defined as A label attributed to people born during the 1980s and early 1990s. Members of Generation Y are often referred to as “ echo boomers” because they are the children of parents born during the baby boom (“ baby boomers”). Because children born during this time period have had constant access to technology (computers, cell phones) in their youth, they have required many employers to update their hiring strategy in order to incorporate updated forms of technology. In a simple word, generation-Y grew up with a technology and relies on those things to perform their job and their task.

In addition, when going through a literature review in Malaysian context, there are still a gap existed between environmental knowledge, intention and behavior towards green product. [Said et al. (2003)]. Even though employees that have vast knowledge about green products in ISO 14001 certified organizations not necessarily would buy a green products.

Therefore, factors those determine and affect consumer especially Generation-Y to purchase a green product would be worth to find out.

1. 1 BACKGROUND OF THE RESEARCH

Nowadays it's nearly impossible to go shopping without finding a plethora of products that claim to be environmentally and consumer friendly. Oddly enough, many cheap and eco-friendly substances, such as vinegar, have been used for years as home cleaners. Whether you buy a green cleaning product at a store or use something on hand in your pantry, you can reap the

benefits of choosing products that are gentler on you and the environment. Environment is defined as what surrounds a thing or an item or in other words it means the surrounding. It could be a physical element which is physical environment, that includes the built environment, natural environment such as air, water, land, atmosphere and etc or it could be human environment where people surrounding the item or thing which also known as the social environment. Today environment is getting worst and worst. Many environmental issues arise. Environmental concerns have been growing in recent years. One of the examples of environmental issue is global warming. Global warming and climate change refer to an increase in average global temperatures. Natural events and human activities such as burning garbage and waste are believed to be contributing to an increase in average global temperatures. This is caused primarily by increases in “greenhouse” gases such as Carbon Dioxide. The greenhouse effect keeps the earth warm when functioning normally. For the first time in history, human activities are altering the climate of our entire planet. According to (Jack, 2010), in less than 2 centuries, humans have increased the total amount of carbon dioxide in the atmosphere by 25% from the burning of fossil fuels and the destruction of forests. In addition to the natural fluxes of carbon through the Earth system, human activities, particularly fossil fuel burning and deforestation, are also releasing carbon dioxide into the atmosphere (The Carbon Cycle; the Human Role, Earth Observatory, NASA).

Green product is define as a product products that produce limited carbon footprints; they may require fewer resources to produce, consume less energy or emit fewer hazardous emissions. Green product is also a product

that is non toxic, water-efficient, and also recyclable and biodegradable. There are many green products that have been produce for people in the market. For example household cleaner. Phosphate-free dishwasher and laundry detergents are green because they do not discharge environment-damaging phosphates into waterways. Other examples of green cleaning products are those labeled “ certified biodegradable;” these have passed several stringent tests relating to biodegradability and environmental impact conducted by an independent certifying agency. According to Consumer Reports, the “ certified biodegradable” label is more meaningful than a “ general biodegradable” label. Glass and metal cleaners, kitchen and bathroom cleaners, and laundry detergents are products that might carry this label. According to EPA (Environmental Protection Agency) research, the air inside the typical home is on average 2-5 times more polluted than the air just outside its walls. For the most part, indoor air pollution is created by the use of toxic chemical products like household cleaners. An EPA report stated that indoor air pollution is one of the nation’s most important environmental health problems. The EPA also concluded that household cleaners are 3 times more likely to cause cancer than air pollution. Walk down the cleaning product aisle at the supermarket and notice the strong toxic odors, even though the packages are tightly sealed so they cannot leak. Those same vapors remain in a well sealed home. A 15 year study compared women who worked outside the home and those who did not. They found a 54% higher death rate from cancer in the women who stayed home. The study concluded that the increased death rate was due to daily exposure to hazardous chemicals found in ordinary household products.

What is not being reported are the slow poisonings that occur in every home
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from continual exposure to household cleaning chemicals. A report by the Consumer Product Safety Commission found that 150 chemicals commonly found in homes have been linked to allergies, birth defects, breast cancer, testicular cancer, prostate cancer, declining sperm counts, and psychological abnormalities.

Generation Y are the cool generation, they embrace brand and live in the new world of digitize communication. Thus that might be interesting to find their perception and their level of awareness towards environmental issues that the world is facing nowadays. Gen Y has grown up in a very structure, busy and over planned world. Also, Gen Y is made up of confident, optimistic young people who feel valued and wanted. In a article of science daily, Gen-Y is a people that will go all the way when it comes to saving the environment as long as it benefit to world economic and environment. They are maturing into a pragmatic generation that wants to do the right thing for the environment but also has real economic concerns

PROBLEM STATEMENT

Consumers or practically customers are the sellers and buyers that boost the country's economy. Therefore, many firms are actually putting many efforts in order to attract more customers because these customers create businesses opportunities and generate profits to them. As the world nowadays facing so many problems regarding to a environmental issue, the consumers and their attitudes or behaviors to purchase a green product are the important factors to be considered. Consumers nowadays have more choices due to the effects of globalization. They will prefer the function of the product rather than the brand or whatsoever to ensure a healthier future.

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To determine the current level of consumers preferences towards the green products.

To determine what are the determinants or factors of consumer preferences towards the green product.

To determine the consequences or effects of consumer preferences towards the green product.

RESEARCH OBJECTIVE

Awareness towards environmental issue that the world nowadays facing play a major role encourage people to purchase a green product. Thus, this study is attempts to relate on the various variables that influence consumer especially generation-Y to purchase a green product. The objectives are as the following:

* To study the factors affecting the consumer especially Gen-Y to purchase green product.

Gen-y is a new generation and It is crucial to understand as they are more advance and modernize. Thus, several researches have been conducted in order to understand consumers in a way that how they behave, and what are the factors that cause them to behave or react to the responses of the products. Leading factors such as price and quality are always the top concerns to the consumers. Product attributes will moderate the effects of price on quality judgments. Partial of the consumers may focus on buying low prices goods and neglect the quality of the products. This group of consumers takes the price as a measure of sacrifice. For instance,

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consumers take the price served as the benchmark for comparing utility gains from the quality of the product. On the other hand, some portion of the consumers will be willing to pay a premium price for the quality and function of the products, as they are very sensitive to the signals of the quality of one product. Thus, it is hope that this study will contribute further to the understanding of factors of price and quality that may lead to the consumers prefer for a green product

* To understand the awareness level of people about “ Go Green” campaign.

Nowadays, there are many environmental campaign have been organized by a government and private sector. This campaign is aim to encourage people to more concern about the environment. Thus , it is hope that this study will explore how people react to a environmental campaign and what is their level of awareness about the awareness campaign.

* To examine the benefit for people involvement in “ Go Green” program.

We might be asking, how we will benefit from getting involved in this environmental campaign. Well, recently there has been an increase in events directly related to the availability of natural resources. For example energy shortages that resulted to load shedding, change in weather patterns and water shortages. As a result, civil society is recognizing the need to manage our natural resources more effectively and responsibly. In doing so, we can ensure positive effects on our health, quality of life and even the cost of living. Thus, this study will help people to getting known more about what they will gain if they participate in the environmental campaign.

*To discover what consumer perception towards green product green product.

In curiosity to identify what are the main components or criteria that consumer especially gen-Y are looking forward in order to purchase a green product. It is true that each and every one of us are special and unique in the way we are, thus, every consumer has their very own perception in purchasing a green product. Different people from different backgrounds may have different perceptions on these products. In addition to that, different demographic groups may have different perceptions to this kind of product as well. Thus, this study will help to identify whether the consumer especially gen-y prefer to buy a green product or not to save a mother of earth.

1. 4 SIGNIFICANCE OF STUDY

This study is crucial as there are a lot of green products have been selling nowadays. Obviously, when we talk about green product, the price for that particular item might be so expensive. The study on factors affecting consumer especially Gen-Y buying a green product may allow us to know in depth why are previous efforts taken does not produce as it is thought it would be. Based on the study conducted, motivations towards the environment, knowledge on green product, social norm, awareness and self-image have an impact on the consumer especially Gen-Y buying a green product. Government may need to enhance its program in educating people green product. New and more interesting “ Go Green” program and method is a definite necessity in motivating people to increase their

interest/awareness on a green product and indirectly motivates them to purchase it.

1. 5 SCOPE OF STUDY

The research focus on students in Multimedia University (MMU) Melaka campus which comes from various demographic backgrounds such as the faculty, ethnicity and nationality. The focused respondents are a great resemblance on the exact population in Malaysia.

1. 6 ORGANIZATIONAL OF RESEACH

1. 6. 1 Chapter 1: Introduction

Regarding this chapter, it introduce the background of this research such as why do people trade in order to get imported goods from other country.

Thus, this will create a preference among the consumers locally and abroad to consume and purchase foreign made products. These sections will explain in details in the of consumers' preferences from the Malaysian perspective and as well from the global view for foreign made products. This chapter also recognized the problem statement and the research objectives for this research. Finally, the justification of the research will help to justify the benefits and those who will gain in this research.

Chapter 2 : Literature Review

A thorough study will be conducted on the dependent variable and independent variables. The main purpose for this chapter is to weigh the pros and cons of the topic and to discuss in details on the ideas and knowledge concerned. In this chapter, every definition of the dependent variable and independent variables will be cited from the journals in order to

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strengthen every point mentioned. Several of arguments and various points of views from different authors in order to provide a stronger formation of each point can be founded in this chapter. In addition to that, this chapter explains the relationships on several independent variables relate to the dependent variables.

1. 6. 2 Chapter 3 : Research Methodology

Research methodology is usually conducted after the thorough study of literature review. In this chapter, theoretical framework will be form to illustrate the relationships between the dependent variable and the independent variables. Hypotheses or a proposed explanation which were made on the basis of limited evidences will explain the relationships between two or more variables. All the hypotheses stated will be tested together with empirical data. This chapter also includes the description of the sampling data, data collections and as well as the development of the questionnaire for this research.

Chapter 4 : Data Analysis

After questionnaires are collected from all the respondents, then few tests will be conducted to test on the validity and reliability of the results. The responds of the questionnaires from the respondents are represented by a set of numbers that symbolize their own significant meanings. Whereas the tests that will be carry out are to analyze the responses from the respondents so that it will derive to a stronger conclusion at the end of this research.

Chapter 5 : Conclusion

This chapter will provide the final outcome of this research. Thus, the final results will be explained and we will be able to identify how the exact hypotheses that formed earlier are hold.

Chapter 2 Literature Review

In a general definition, green product is known as an ecological product or environmental friendly product. Shamdasami et al., (1993) in their research defined green product as the product that will not pollute the earth or deplore natural resources, and can be recycled or conserved. Green product is a product that has more environmentally sound content or packaging in reducing the environmental impact (Elkington and Makower, 1988; Wasik, 1996). In other words, green product refers to product that incorporates the strategies in recycling or with recycled content, reduced packaging or using less toxic materials to reduce the impact on the natural environment. Krause (1993), found that consumers will becoming more concerned about their habits and the impact on the environment. The consequence of this is that some of the consumers translated their environmental concern into actively purchasing green products commitment (Martin and Simintiras, 1995). Today's teenagers are concerned about environmental problems (Lyons & Breakwell, 1994; Lee, 2008). Studies have shown that youth are more concerned - and more informed - about environmental problems than the adults (Van Liere & Dunlap, 1980; Diamantopoulos, Schelemilch, Sinkovics, & Bohlen, 2003), and teens who consider they to be knowledgeable about environmental issues tend to report higher levels of concern (Lyons & Breakwell, 1994).

There are many reasons and factors that affect consumer especially Gen-Y to buy a green product. 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; Thøgersen, 1996). However, studies on the influence of moral concerns on consumer high involvement buying decisions with environmental implications are rare (Thøgersen, 1999). This is a problem since overlooking an influential determinant might hinder or delay successful diffusion of environmentally friendlier products and innovations. Other researcher also revealed that despite expressing concern towards the environment the consumers were unwilling to purchase or pay a higher price for environmentally friendly products (Jay, 1990; Ottman, 1992; Schlossberg, 1991). A more recent report by the RoperASW (2002) 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. Kristensen and Grunert (1991) said the levels of general environmental knowledge among consumers have increased significantly over recent years. This may have been expected, since a number of new green product lines have been introduced in a market. (Bohlen et al., 1993).

Knowledge and attitude towards environment are very important to influence consumer especially Gen-Y To buy a green product. There is a general belief among the 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 means that price is not the main factor in preventing 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. consumer knowledge and attitudes are determinants of behaviour (Engel et al., 1993), many researchers have attempted to understand the relationship between purchase behaviour and knowledge /attitudes. The studies from those by Arbuthnott and Lingg, (1975); Geller (1981); Maloney and Ward (1973); Muller and Taylor (1991); and Schahn and Holzer, (1990) have shown that environmental knowledge has little impact on purchasing behaviour. However, Dispoto (1977) concluded that environmental knowledge was a good predictor of environmentally sensitive activity. Grunert (1993) found that knowledge of the benefits of a green product's use on the environment may have an impact on whether or not that product is purchased and used. Arbuthnott and Lingg's (1975) in a study of environmental behaviours, knowledge and attitudes, suggested that environmental knowledge acts as a mediating variable for environmental attitudes and behaviour. Synodinos (1990) stated that " more positive attitudes may result by increasing knowledge about environmental issues" (p. 168). Cohen (1973) found that groups of students who were taught <https://assignbuster.com/rising-concern-on-environmental-issues-marketing-essay/>

courses with a high environmental content, i. e. were given more environmental knowledge, had different attitudes toward the environment than the control group who were taught courses with a low environmental content. Maloney and Ward (1973) found that the attitude of consumers towards environmental protection was significantly more positive than their knowledge of environmental problems. They also stated that “ despite its current popularity, the average person appears to know very little about ecology” (p. 585). Disposito (1977) made similar conclusions, stating that “ subjects ... were more emotionally involved with the environment than knowledgeable about it” (p. 457). When translating these results into the context of green product lines, these findings would suggest that consumers will have a positive attitudes towards green product lines without actually knowing how they impact on or preserve the environment. Certain theorists believe that personal norms are the attitudinal factor seen as closest to actual behavior. In relation to green activities, the personal norm reflects a “ moral obligation to act” in an environmentally responsible manner. A key assumption is that personal norms develop through the formation of a “ consistent personal value system” that also incorporates social norms. Several researchers have found personal norms to accurately predict green consumer behavior.

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, 2001) 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, publicly displayed or used in private), the susceptibility of the individual consumer and the coercive power of the group to which the consumer belongs (Hoyer and MacInnis, 2004). Self image is the conception one has of oneself. Study in marketing influence on consumer purchase decision on green product, self-images was influencing green behaviours. This agrees to Lee(2008) finding on concern for self-image 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

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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.