
DETERMINANTS OF GREEN PURCHASE INTENTIONS–EMPIRICAL ANALYSIS WITH REFERENCE TO HYDERABAD,INDIA

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ABSTRACT

Increasing knowledge on various environmental problems among consumers has led them to move towards the path of sustainable consumption. As a result, attention towards the “green aspect” of products, as well as their effect on Earth has gained prominence. On the other hand, concern towards health is becoming one of the prior concerns of consumers, making them adopt a healthy lifestyle, which is being showcased in the form of purchasing and consuming green products. The objective of this paper is to study the individual’s attitude towards green products, health consciousness and social influence on consumer green purchase intentions

of organic food products among the consumers of Hyderabad. The study is conducted by collecting questionnaires from the consumers visiting organic stores for buying organic food products. The samples collected were 200 for conducting the data analysis. The statistical tools used in the study are Correlation, Factor analysis, Multiple Linear Regression Analysis. Attitude towards green products emerged as a predominant factor, positively influencing the purchase intentions of individuals. The findings depicted that green market is in evolving stage in developing countries like India and opens an avenue for marketers to exploit the opportunities available in green market industry.

Keywords: Social Influence, Health Consciousness, Green Purchase Intentions, Attitude towards green products

1. INTRODUCTION

The quick progress in the economy and the spread of technology is leading to the emergence of new threats to the environment. This has led to environmental deterioration, resulting in the upheavals we are facing presently. Of late, environmental problems have emerged as a prioritized concern to media and research concerning green marketing. Statistical analysis displays that 30 to 40 percent of this corrosion is due to consumer’s unhealthy consumption patterns. Climate change, air and water pollution, ozone layer depletion, hazardous waste, deforestation, acid rain, and loss of flora and fauna species are some illustrations of human carelessness. Therefore, a shift towards sustainable consumption is needed. Individual consumption and overconsumption are critical factors embracing to the concern (Tanner and Wölfling Kast, 2003). The implementation of green practices across businesses has led to increasing awareness around the Globe. Green practices are activities that safeguard the environment by producing products in an eco-friendly way (Tzschentke et al., 2004, 2008). These activities include designing, differentiating, pricing, and promotion of products

and services which fulfill customers' environmental needs without a pernicious impact on the environment. Green practices by a company play a major role in determining sales. Green marketing creates a differentiation strategy by satisfying environmental needs, and also shape the marketing rules in the market. Since a decade, majority global companies have started to develop green products, and most individuals have also shifted towards green purchasing. Nevertheless, the increased willingness has not been translated into action (Young et al., 2010). According to studies by Tanner and Wölfling-Kast, 2003; Vermeir and Verbeke, 2006, a poor relationship exists among consumer's positive attitudes towards the green purchase and their actual purchase behavior. Consumer green purchase behavior has been an area of extensive research in developed countries, compared to less research attention in Asian countries. In the Indian setting, green purchasing is a moderately new phenomenon and most of the earlier studies on Indian green consumer behavior; have been engrossed in perceiving selected factors and consequences. The aim of this study was to study key factors of green purchase intention for formulating appropriate management strategies in regard to future green initiatives.

2. REVIEW OF LITERATURE

2.1. Green Purchase Intention

Purchase intention of consumers is known as prominent subjective and broad aspect in consumer behavior and their purchase decision making. Marketers, researchers and academicians are continuously doing research in regard to identify the purchase intentions of customers and molding it into real purchases. Spears and Singh (2004) and Peter and Olson (2008) defined that purchase intention (PI) is a deliberately decided plan to make an effort to purchase a particular product or service. In line with the above definition, Lee (2008) elucidated green purchase as "the purchasing effort exhibiting preference towards products or services which are less destructive to the environmental and human health". In view of Nik Abdul Rashid (2009) green purchase intention is the likelihood and readiness of an individual to give preference to purchase green products over conventional products. According to Chan (2001), green purchase is a specific kind of eco-friendly behavior that consumers depict to show case their concern towards environment. Bergeron (2004) states that purchase intentions of an individual are the best predictor of his behavior as they let them to self-reliantly embrace all associated factors that might impact their actual behavior. This is backed by the study of Armstrong et al., (2000) emphasizing purchase intention to be the exact indicator of future sales. In addition, the study also presents a more explicit forecast rather than an estimate of past sales trends. In addition, Newberry et al., (2003) stated purchase intention to be a common tool used in predicting purchase behavior. Congruently, the most wide-ranging theory to support in elucidating the effect of variables on purchase intentions is the Theory of Planned Behavior (TPB) (Ajzen, 1985; 1991).

2.2. Attitude Towards Green Purchase

Green purchase is defined as the act of buying products that are environmentally safe from the consumer's perception (Mainieri, Barnett, Valdero, Unipan, & Oskamp, 1997). Chan (2001) defines green purchase as a definite form of eco-friendly behavior that consumers display to express their concern towards the environment. Consumers purchase green products in order to minimize harmful environmental effects, which in turn protects the natural resources, reduces energy use and waste, and cultivates health and safety. A consumer's environmental attitudes

and behavior have been recognized as a complex, yet vital concept to address the profile of the ecologically conscious consumer (Roberts and Bacon, 1997). Various studies by Roberts (1996), Roberts and Bacon (1997), and Stern et al. (1993), have observed an association of demographic and psychographic dimensions related to attitudes toward green purchase. A study conducted by Straughan and Roberts (1999), revealed that younger individuals are more likely to be more sensitive towards environmental issues, and stated that age and sex are more related to customers' attitudes towards green purchase intention. Soonthonsamai (2001) stated that age and income are more positively related to green purchase intention except for education. There are significant differences in the environmental attitudes of men and women (Brown and Harris, 1992; Tikka et al., 2001). A study by (Eagly, 1987; Tikka et al., 2000) revealed that men have more negative attitudes towards the purchase of green products than women. Women are more likely to buy the green products as they consider them to be safe for the environment (Mainieri et al., 1997).

2.3. Health Consciousness

Health consciousness refers to the extent of health concerns are incorporated into an individual's daily routine. Becker et al. 1977, defined health consciousness as the readiness to undertake health actions. Health-conscious consumers maintain their health and quality of life by engaging in health behaviors and being self-conscious regarding health (Newsom et al. 2005; Kraft & Goodell, 1993; Plank & Gould. 1990; Gould. 1988). They also express an interest in healthy food (Fagerli and Wandel, 1999; Rozin et al., 1999) in terms of safety and quality aspects. Health consciousness has become a prominent aspect for purchasing food items and also has become a dimension of quality for most of the consumers (Magnusson et al., 2001; Wandel and Bugge, 1997). Such individuals tend to be more aligned towards nutrition and physical fitness (Kraft & Goodell, 1993). The main reason behind purchasing organic food is health consciousness of individuals (Schifferstein and Oude Ophuis, 1998; Tregear et al., 1994). Most of the consumers assume that organic foods are safer and provide greater health benefits compared to conventional alternatives and hence develop a positive attitude towards organic products (Beharrel and MacFie, 1991; Jolly et al., 1989). According to Abdulrahim, 2009, consumers are more in need of healthier, ecofriendly and high-quality food products. Moreover, health consciousness is a broader construct to reflect a person's readiness to do something to his or her own health.

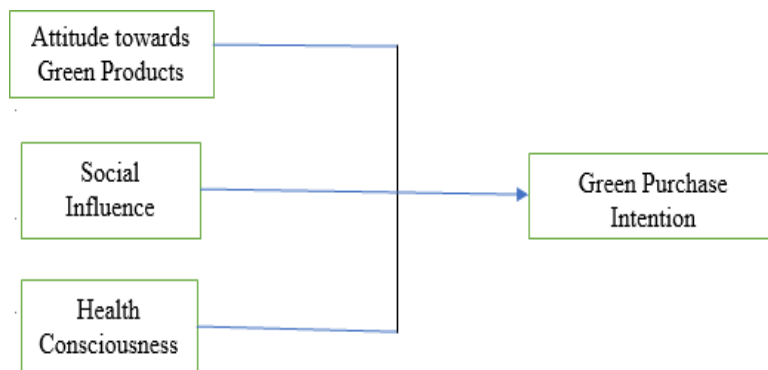
2.4. Social Influence

Social influence can have a big impact on consumers purchasing behaviour. It can be defined as circumstances where a person shares the similar thoughts, beliefs and values with the person that he or she is associated with. A study by Feick et al. (2003) proposes that social network and product involvement are co-related. In common, young consumers are mostly influenced by their social networks (e.g., family, friends, co-worker, etc.). The information collected by such social networks influences their brand choice. In the view of Kalafatis et al. (1999), it is up to the respondent's point of view whether to consider social norm as a reference point. The referents could be friends, neighbours, not-for-profit or for-profit organizations, teachers, parents and etc.

3. OBJECTIVES OF THE STUDY

1. To examine the key factors influencing respondent's intentions in regard to purchase of green products
2. To identify the most significant factor influencing consumer's green purchase intentions

4. CONCEPTUAL MODEL



5. HYPOTHESIS

1. There is no significant relationship between attitude towards green products and green purchase intentions
2. There is no significant relationship between health consciousness and green purchase intentions
3. There is no significant relationship between social influence and green purchase intentions

6. RESEARCH METHODOLOGY

The study has been conducted using survey method, with a sample of 200 respondents with the help of a self-administered questionnaire. The population for the current research is the users of Green Products and the current study utilizes a non-probability sampling technique that is convenience sampling. The sample consisted of respondents above 18 years of age. The survey was carried with the respondents in specific organic shops, hypermarkets, and supermarkets across Hyderabad city. The questionnaires were processed and analyzed with the statistical software SPSS, using different techniques like descriptive, correlation, and factor analysis. Cronbach's Alpha was applied to test the internal consistency of the questionnaire, whose value was found to be above 0.70 for all the constructs. The questionnaire comprises of two sections. The primary section of the questionnaire included questions which were demographic in nature whereas, the secondary section of the questionnaire emphasized on various aspects of green purchase intention and its determinants. The study constructs consisted of 27 Likert scale items based on a five-point scale and were developed from earlier literature works (Michaelidou & Hassan (2008), Chan (2001), Kim (2005), Lee (2008), Li (2007)). Relevant statistical tools such as reliability test, descriptive statistics, percentage analysis, and multiple regressions were used to analyze the data.

7. ANALYSIS AND DISCUSSION

It is clear from table 1 that majority (66.0%) of the sample participants are female. Majority (55.5%) of the respondents are below 40 years of age. Further, 49.5 percent of the respondents fall in the income group of Rs 15001 – 25000 and 42.5 per cent of the sample respondents are graduates.

Table-7.1: Demographic Profile of the Respondents

Respondents Profile		Frequency	Percentage
Gender	Female	132	66.0
	Male	68	34.0
Age	Less than 40	111	55.5
	Above 40	89	44.5
	Less than 15000	75	37.5

Income	15001 - 25000	99	49.5
	Above25000	26	13.0
Education	UptoSchool	37	18.5
	Graduate	85	42.5
	PostGraduate	38	19.0
	Others	40	20.0

DESCRIPTIVESTATISTICS OFTHESTUDYCONSTRUCTS

Thebelowtable(Table2)showcasesthemeasuresofreliability,meanandstandarddeviationof the constructs. The Cronbach alpha values for all the constructs is greater than 0.70(Nunnally,1978). Hence,theconstructshaveanacceptablelevelof reliability.

Table-7.2:DescriptiveStatistics

Constructs	Cronbachalpha	Mean	StandardDeviation
Attitudestoward GreenProducts	.81	3.89	.612
HealthConsciousness	.74	3.65	.719
SocialInfluence	.77	3.88	.712
GreenPurchaseIntention	.82	4.01	.553

From the above table (table 2) it is also evident that the determinant “Attitudes toward GreenProducts” (M = 3.89)has the highest mean value followed by Social Influence (M=3.88) andHealthConsciousness(M=3.65).

Table-7.3:Effectofindependentvariablesonpurchaseintention

DependentVariable	IndependentVariables	Standardizedβ	R ²	FValue
PurchaseIntention	AttitudestowardGreen Products	0.339*	.448	31.667*
	SocialInfluence	0.332*		
	HealthConsciousness	0.336*		

*Significantatfivepercentlevel

The relative strength between the independent variables and the dependent variable wasdetermined using a multiple linear regression. From the above table (Table 3), it is evidentthattheindependentvariablesahasasignificantimpact(AttitudestowardGreenProducts(β= 0.339,p<.05),SocialInfluence(β=0.332,p<.05)andHealthConsciousness(β=0.336,p<.05) on the dependent variable (Green Purchase Intentions). From the above table it is clearthat this is a highly significant relationship (F-statistics is31.667). The overall varianseshownbythethreesignificantdeterminantdimensionsis44.8%.Amongthethreeindependent variables Attitudes toward Green Purchase is the most influential factor (β =0.339)followed byHealth Consciousnessamongtheindividuals.(β= 0.336).

8. RESULTSANDDISCUSSION

The findings of the study highlight certain exciting evidence in regard to customers’ acumentowards environmental concerns and green products. Attitude towards green products can beidentified as the strongest factor positively influencing customer purchase intentions. Thecurrent research work affirmed that an individual who cares for the environment would havea more grounded inclination in buying a green product. Thus, marketers in order to enhancethe sales of green products,need to design and position suitable strategies with respect togreen branding. This will help to catch up with the growing demand for green products inIndia.Basedonthefindings,itisevidentthatconsumerswithhighlevelsofHealthConsciousness

are more inclined to purchase green products. Social Influence (with a high mean score) also plays a role with respect to green purchase intentions. In a nutshell, companies need to identify the various opportunities available in society in relation to green consumption and develop appropriate strategies to promote green branding. This can be done by creating an awareness among consumers with respect to eco-labels, taking help of opinion leaders, and educate consumers with respect to environmental protection, the need, and the importance of sustainable consumption. It is the responsibility of the marketers to offer accurate information and awareness to consumers with regard to green products and eco-labels, such that consumers get familiarized with green products and improve their know-how about green products. Much focus should be on making the consumers aware of the environmental problems. There is a need to communicate the benefits of green products and their role in ecological preservation.

9. PRACTICAL IMPLICATIONS

The study advocates a striding approach towards consumer purchase intention for green products. The approach could be beneficial for consumer groups that have strong orientations towards environmental concerns and beliefs. The results of the study propose significant inputs towards the practicality of green marketing strategies which can benefit both the private and public enterprises in designing and developing suitable green products that will be privileged by customers.

10. CONCLUSION

The conclusion obtained from the study showcases that consumer's attitude towards green purchase and their health consciousness plays a vital role in their intentions to purchase green products. Hence companies need to focus on developing programs to change the attitude of consumers.

Health consciousness can be used as a tool by the companies to design appropriate strategies for purchase of green products. Many other factors influencing green purchase intentions need to be examined, which might play a pivotal role in consumer's choice towards sustainable consumption.

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