

## **Analysis of Factors Contributing In Green Buying Behavior of Consumer in Pakistan**

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### **Abstract**

*Research aims to study the factors that contribute in buying behavior of consumer in Pakistan. The research explores the different variable with relevance to the demographic factors and shows the results by accepting the hypothesis that certain variables do effect the purchase behavior for the product and some contribute and minimal. Based on the results suggestions are made that these study can be further extended the specific product commodity to check the responsiveness of consumer buying intention.*

**Keyword:** Conflict Resolution, Conflict Management Style, Type of Conflict, Supervisor Relationship

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A great number of researches have been conducted in the early 1970's for environment friendly products and consumers' behavior towards these products. The rising social and supervisory concerns for the atmosphere lead to a growing number of businesses to consider green matters as a chief source of strategic revolution (Sachdev, 2011).

Around the globe, people and firms are getting more and more aware about the concept of global warming and this has lead people to develop interest towards ecological development. The consumers are showing increasing interest towards the environmental issues (Chen & Chai, 2010). Researchers around the world have researched that peoples' concern about the environmental issues is changing their attitudes. In regard to this, firms are becoming socially responsible and are introducing products that are environment friendly. Green marketing is a concept that illustrates the introduction and selling of those products and/or services that are not harmful for the environment.

Companies that develop new and improved products keeping in mind the environmental issues are more likely to grab the

new markets, earn higher profits and achieve the competitive edge over the firms that are not showing environmental concerns.

One sort of eco-friendly attitude is green buying or eco-friendly purchasing which suggests the consumption of those products which are not harmful for the environment. As consumer knowledge of environmental issues increasing, firms are now targeting the green segment of the market. Eco friendly behavior is a reality and must be understood clearly in order to devise strategies and policies to meet the green consumers' needs, wants and demands (Upadhyaya & Shukla, 2011).

In the present era, green marketing has been given a special attention as a strategic approach in accomplishment of business activities. This has become a trend for the firms to promote their products as environmental friendly because this brings a boost in sales. So, the following study is based on the effects of eco-friendly labels on the consumer buying behavior.

### **Research Objectives**

1. To discover if buyers have readiness to spend premium for environmental-pleasant products.
2. To know if learning level and profession of consumers have any influence on their purchasing manners for environmental-pleasant goods.
3. To know if gender of consumers have any influence on their purchasing manners for environmental-pleasant goods.

### **Research Hypotheses**

H1: Consumers are ready to pay additional for environmental-friendly products.

H2: Education and profession of consumers has influence on their buying manners for environmental friendly products.

H3: Gender of consumers has influence on their buying manners for environmental friendly products.

## **Review of Literature**

### **Eco-marketing**

Eco-marketing is a corporate strategy that reflects customers' worries with respect to conservation and protection of the atmosphere and environment (Zaman, Miliutenko, & Nagapetan, 2010). He mentioned that eco-marketing is the portion of market segment which is grounded on the "greenness" of the consumer. Zaman said that eco-labeling has now become one of the attractive tools of eco-marketing. Green marketing integrates a wide variety of activities comprising product alteration, variations to the manufacturing procedures, packaging alterations as well as modifying advertising (Sachdev, 2011).

Green marketing states those strategies that are to endorse products engaging environmental issues either about their features or about schemes, rules, and practices of the firms that produce or trade them (Prakash, 2002). Prakash said in his paper that companies can go green in 3 ways. First, they can green the value addition procedures which can be achieved either by redesigning them, excluding some of them, adding new procedures, updating technology and all of them with the aim of minimizing the environmental influence. Secondly, companies should acquire a management system that generates situations for decreasing the environmental influence of value-addition procedures. Third strategy to go green relates to product by repairing, renovating, remanufacturing, reusing, recycling or reducing the product.

### **Green Marketing Mix**

Different firms have different choices regarding marketing mix elements; some go for the traditional 4 P's while some go for the modern 7 P's (Sharma, 2011). The concept of 4 P's of green marketing is the same as that of the traditional marketing but there is a challenge that lies before the marketers which is to use 4 P's in a pioneering way if they want to implement the strategy of eco marketing. Sharma (2011) discusses the 4P's of green marketing mix as under:

- I. **PRODUCT:** The environmental goals in designing products are to decrease resource ingesting and contamination and to preserve the scarce resources.

- II. **PRICE:** Price is also serious and vital issue of green marketing mix. If there are self-perceptions of surplus product worth (value), only then consumers will be willing to pay more for that product. The value of the product may be enhanced through enhancing the functions, design, performance or visual charm.
- III. **PROMOTION:** Eco-advertising can take three forms: -
  - a. Ads showing an association between the environment and the product/service.
  - b. Ads that endorse an eco-lifestyle by emphasizing product or service.
  - c. Ads that depict a corporate image of ecological concern satisfied by them.
- IV. **PLACE:** The decisions of product availability (when and where) by a company, will have major impression on the consumers. Very few consumers will think beyond their manner to purchase eco-products.

## **Eco-Labels**

These are meant to mention the product's cooperative complete ecological enactment i-e its performance. They act as the pointers of the ecological performance of an offering produced which prevent consumers to get confused over assertions of eco-friendly nature (Rashid, 2009). Rashid mentioned in his paper that eco-labels are eye-catching tools notifying customers about environmental influence of their buying choices.

## **Eco-Labels and Green Consumerism**

It is the worry of consumers for the environment and their personal security and safety that energies demand for environment-friendly products which in turn encourages developments in the ecological performance of many products and firms (Sachdev, 2011).

For conducting researches on labeling schemes, one of the main issues is to understand the 'green demand'. The buying or non-buying decisions of consumers which are at least grounded upon the environmental and social criteria are called as 'green consumerism' (Gallastegui, 2002). But the issue arises that we are yet not aware about the factors that determine green consumerism.

He mentioned that in 1997, Hemmelskamp and Brockman formulated a list of causes that influence the consumption pattern. The list is as follows:

1. *CONSUMER SATISFACTION*: This factor is not always well matched with environmental awareness because many eco-friendly products may not come across essential consumer standards such as quality, price performance.
2. *VALUES*: The social values of consumers may lead to activities that may or may not be environment friendly and hence, operating on the recognition and prestige of ecologically suitable action is a fundamental responsibility.
3. *IDENTIFICATION*: It is another important factor that might lead to optimistic green buying behavior. Since the regulations do not defend eco related terms, many firms have used it to exaggerate—their offerings’ features and hence negatively influencing consumer perceptions. The fruitful promotion of green consumerism needs that this reliability be mended and fixed. In fact, to generate an easy recognizable and trustworthy mark of credibility is one of the main objectives of eco-labels.

### **Environmental Attitude**

“Environmental concerned attitude of a person can be described as a person’s perception of self and the extent to which a person identifies him/herself to be an essential part of the environmental setting” (Chen & Chai, 2010). The environmental quality critically depends up on the level of awareness, attitudes, beliefs, values and consumer practices. Chen said further that in forecasting consumers’ readiness to pay for eco-products, attitudes are the most reliable descriptive factor.

Many researches have shown that pro-environmental concern refers to the safety of the environment. Pro-environmental apprehension is the concept that mirrors the degree to which purchaser is troubled by the dangers to the atmosphere (Ishaswini, 2011). Researchers and marketers try to find if pro-environmental anxieties among consumers signals their green purchasing behavior.

## **Environmental Worries and Eco Buying**

Essential to ecological investigation is a person's care, worry and anxiety for atmosphere. Ecological concern represents an individual's common and general alignment towards the atmosphere and person's worry and fear level towards ecological matters has been regarded as a valuable forecaster of ecologically mindful manners varying from reprocessing conduct to green purchasing behavior. For example, buyers who are highly concerned for the atmosphere are more inclined to buy products as an outcome of their ecological claims than those buyers who have lesser concerns towards the ecological matters (Kim, 2005).

## **Consumer Responsiveness towards Eco-friendly Products**

The concept of business sustainability has acquired a great deal of consideration from academicians and practitioners and demands of consumers and their behaviors have been changed significantly due to environmental concerns. Customers are showing increased responsiveness towards the environmental issues and they are leaning more towards eco-friendly businesses and their offerings (Ali, Khan, & Ahmed, 2011). Ali mentioned the words of Cornwell that those customers who do not purchase eco-friendly products or do not favor such products can also be attracted towards such offerings by enhancing their knowledge and providing information. He also quoted that Lampe and Gazdet proposed in 1995 that green marketing does not have powerful impact upon all consumers, thus the need of identifying ecologically worried consumers, arises (Ali et al., 2011).

Green consumers strongly consider that existing ecological situations are weakening and signify serious difficulties facing the safety of the earth (Laroche et al., 2001) and on the other hand, consumers who do not involve in eco-friendly attitude think that environmental problems will be sort out themselves. According to him, one of the main causes that prevent individuals from involving in environmental friendly acts is their perceived level of self-participation towards the safety of the environment. Laroche et al. (2001) said that many people may be highly concerned towards atmospheric issues, but they may think that protecting the environment is the duty of the government and/or huge firms. He

said that we suppose this behavior to influence the readiness of buyers to spend premium for environmental pleasant goods.

### **Psychological Determinants of Eco-friendly Behavior:**

Chan (2001) mentioned that in order to get enhanced understanding of eco-friendly acts performed by people, researchers support the significance of shaping these people's understanding of the atmosphere (environmental knowledge), the way they sense and feel about it (environmental affect), the commitments they are eager to make (purpose or verbal commitment), and the commitments they actually make (real commitment).

Researchers additionally declare that a person's environmental conduct is extremely reliant on his/her environmental information, affect, and intent. Such an opinion is reliable with the typical behavioral intention that perception, conation and affect are three vital constituents in shaping corresponding attitude (Chan, 2001).

### **Marketing Role towards Environment**

Welling has mentioned the words from the book, "Environmental Management", written by Uberoi (2007) which states that the central government and the state government and their agencies should become active in saving the environment. The ecological difficulties cannot be solved without a complete proactive strategy by the government (Welling & Chavan, 2010). Welling has also mentioned the role of marketing in the betterment of our environment as described by Polonsky and Alma (2008), from their book "Environmental Marketing Strategies, Practice, Theory and Research". The role that marketing plays in the betterment process is well stated in this book. Marketing process activates much of the economic activities. He elaborated that crucial part of marketing in improvement and growth will be valued merely through viable marketing; it comes across the needs and wants of the present with no compromise in the capability of upcoming age groups to fulfill their needs and wants and a marketing strategy that targets at helping the material wants of consumers through an endlessly growing volume of goods without any effort to exploit life quality draws too seriously and too rapidly on already overspent

ecological assets and resources and is likely to mortgage in the upcoming era (Welling & Chavan, 2010).

### **Research Methodology**

Self-administered questionnaire was floated. One hundred and fifty (150) question forms were circulated amongst the female and male respondents out of which 50 respondents did not return their survey questionnaires. Hundred were the respondents who completed and returned the questionnaires out of which 35 were female and 65 were male. The scale scores ranged from a lowest of 1 which meant strongly disagree to a highest of 5 which meant strongly agree.

### **Results**

#### **Willingness to Pay More for Eco-friendly Products**

Mean rank of females is 52.17 which is higher than the mean rank of males' i-e 49.56. This means that females have a higher willingness to pay premium for eco-friendly products. The significance value is 0.587 which is greater than 0.05. This means that there is a statistically significant difference between the male and female groups. Mean rank of males is 50.59 which is slightly higher than the mean rank of females' i-e 50.33. This means that males have a slightly higher preference to buy an eco-friendly brand. The significance value is 0.960 which is greater than 0.05. This means that there is a statistically significant difference between the male and female groups median.

#### **Preference to Buy an Eco-friendly Brand**

Mean rank of males is 50.59 which is slightly higher than the mean rank of females' i-e 50.33. This means that males have a slightly higher preference to buy an eco-friendly brand. The significance value is 0.960 which is greater than 0.05. This means that there is a statistically significant difference between the male and female groups median.

### **Buying Behavior and Age**

Significance or p-value is 0.531 which is greater than 0.05 which means that there was statistically insignificant difference in buying behavior between different age groups.

### **Buying Behavior and Education**

Since the buying behavior variable is divided into two groups of education i-e bachelors and masters, there is not much difference in the means of both the groups. The significance value in this case is 0.432 which is greater than 0.05 so, equal variances are assumed. As we have assumed equal variances so, the p-value (sig. 2-tailed value) 0.120 which is greater than 0.05. This means that there are insignificant differences in buying behavior of two educational levels.

### **Buying Behavior and Gender**

Since the buying behavior variable is divided into two groups of gender i-e male and female, there is not much difference in the means of both the groups. The significance value in this case is 0.215 which is greater than 0.05 so, equal variances are assumed. As we have assumed equal variances so, the p-value (sig. 2-tailed value) 0.004 which is less than 0.05. This means that there are significant differences in buying behavior of two genders.

Since the buying behavior variable is divided into two groups of profession i-e students and lecturers, there is not much difference in the means of both the groups.

### **Buying Behavior and Profession**

The significance value in this case is 0.124 which is greater than 0.05 so, equal variances are assumed. As we have assumed equal variances so, the p-value (sig. 2-tailed value) 0.747 which is greater than 0.05. This means that there are insignificant differences in buying behavior of two professions.

### **Green Policies and Age**

Significance or p-value is 0.92 which is greater than 0.05 which means that there was statistically insignificant difference in attitude towards green policies between different age groups.

### **Green Policies and Education**

Since the green policies variable is divided into two groups of education i-e bachelors and masters, there is much difference in the means of both the groups. The significance value in this case is 0.775 which is greater than 0.05 so, equal variances are assumed. As we have assumed equal variances so, the p-value (sig. 2-tailed value) 0.000 which is less than 0.05. This means that there are significant differences in green policies attitude of two education levels.

### **Green Policies and Gender**

Since the green policies variable is divided into two groups of gender i-e male and female, there is not much difference in the means of both the groups. The significance value in this case is 0.095 which is greater than 0.05 so, equal variances are assumed. As we have assumed equal variances so, the p-value (sig. 2-tailed value) 0.016 which is less than 0.05. This means that there are significant differences in green policies attitude of two genders.

### **Green Policies and Profession**

Since the green policies variable is divided into two groups of profession i-e students and lecturers, there is not much difference in the means of both the groups. The significance value in this case is 0.468 which is greater than 0.05 so, equal variances are assumed. As we have assumed equal variances so, the p-value (sig. 2-tailed value) 0.163 which is greater than 0.05. This means that there are insignificant differences in green policies attitude of two professions.

## **Findings and Discussions**

### **Findings of the Research**

The findings of the research show that there are a huge number of people who are aware about the different environmental problems and also concerned towards these issues. A high percentage of people are aware about the eco-friendly products and some them are using the products with eco-friendly labeling on them and have trust in performance of these products.

The findings show that females have a greater willingness to pay premium for environmental friendly products as compared to males. Therefore, we accept H1 i-e consumers are ready to pay additional for environmental friendly products. It is also revealed that, male consumers have a slightly higher preference of purchasing an eco-friendly brand. People of different age groups do not show any differences in their buying behavior towards eco-friendly products.

The study shows that educational level and profession of consumers do not have any influences on the green buying behavior of consumers. Therefore, we reject H2 i-e education and profession of consumers has influences on their buying manners of environmental friendly products.

The data analysis shows that there are substantial differences in the buying behavior of the males and the females and due to this analysis H3 is accepted i-e gender of consumers has influence on their buying manners for environmental friendly products.

Furthermore, the study shows that there were important differences in the attitude of people of different age groups regarding the green policies. People having different educational levels have differences in their attitudes towards the green policies. Moreover, there are important differences in the attitudes of male and female consumers towards the green policies. Finally attitudes of people differ from each other that belong to different professions. So, we can say that significant differences lie in the attitude of people towards green policies who have different educational levels, different genders and different professions.

## Conclusion

The study shows that female consumers have a greater willingness to pay premium for green products therefore we accept H1 which says that consumers are eager to pay additional for ecofriendly products. The H2 says that consumers' learning and professional levels have influences on their buying behavior for green products which is rejected after the findings of the research. Their learning levels and professions do not have any effects on their behavior towards environmental friendly products. But there are differences in buying behavior of consumers towards eco-products on the basis of differences in their genders which leads to accept H3 which is that gender of consumers have influences on their buying manners for environment friendly products. According to this study males have a greater willingness to buy a brand which has an environmental friendly nature. They have a higher preference to buy an eco-brand with respect to the female consumers.

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