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CONSUMERS' ATTITUDES TOWARDS ECO-FRIENDLY PRODUCTS AND PURCHASE INTENTION: A STUDY IN NORTHERN PROVINCE, SRI LANKA

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ABSTRACT

Today green revolution is a growing concept with green environmental protection, sustainable life style, sustainable development, protecting our earth and many more. It has become a natural phenomenon in our everyday life. Green marketing is a tool used by many companies in various industries to follow this trend. This research study is based on green marketing but specifically on consumers' attitudes and purchase intention on eco-friendly products. It has been the global concern for the purpose of the preservation of polluting and degradation of environment. The objective of this research is look in to and explore the influence of the Consumer perception, Attitude Measures, Lifetime Measures and Democratic Variables on attitude and purchasing intentions of consumers on eco-friendly products specifically Fast Moving Consumer Goods (FMCG). A quantitative approach is adopted for the study by using a questionnaire; the total sample size comprises of 300 respondents. Furthermore, convenient / judgmental sampling used to collect data. Research findings indicated that consumers who already bought eco-friendly products and those who are satisfied by these previous purchases are willing to repeat purchases. Findings further show that there are differences in attitudes and purchase intention towards green products both by women and men.

KEY WORDS: *Consumer Attitude, Consumer Intention, Consumer Perception, Democratic Variables, Green marketing, Lifetime Measures, Purchase Measures,*

1. INTRODUCTION

The comparative study examines exactly these considerations from consumers' attitudes towards eco-friendly products and purchase intention in the fast moving consumer goods: A study in Northern Province, Sri Lanka With some minor extrapolation, the same three steps can seen as consumer attitudes, eco-friendly product and purchase intentions. This Research is going to be conducted in Northern Province of Sri Lanka

In marketing theory and practice, "eco-friendly" or "green" has become a buzz word and a trend in recent years. Eco-friendly products are "products that do not harm the environment whether in their production, use or disposal". In other words, these products help preserve the environment by significantly reducing the pollution they could produce. These days all companies are focusing towards environment friendliness and working on cost effectiveness and quality management of the products. Now business organizations have understood that meeting necessary requirements is not sufficient, they have to make their own competitive edge in the market and it is the only way to sustain in future. Consumers are more aware about society and companies have to serve as well as satisfy all individual wants and need and serve best for their consumers and it will help business organizations in long run. In very simple words green marketing can be defined as marketing of the products and services that are concerned about the safety of environment..

Hence this study is to explore the consumer purchasing intention and attitude towards eco-friendly fast moving consumer goods. An attitude in marketing terms is defined as a general evaluation of a product or service formed over time (Solomon, 2008). An attitude satisfies a personal motive and at the same time, affects the shopping and buying habits of consumers. Lars Perner (2010) defines consumer attitude simply as a composite of a consumer's beliefs, feelings, and behavioral intentions toward some object within the context of marketing. A consumer can hold negative or positive beliefs or feelings toward a product or service. A behavioral intention is defined by the consumer's belief or feeling with respect to the product or service. Green marketing has rose attention due to the environmental deterioration and it becomes a global problem (Kumar, 2011, p. 59). Companies have using green marketing for many reasons such as green policies are profit-making; the business world is more and more implicated in the social responsibilities. Furthermore consumers have been changing of attitudes and due to the government and the competitive pressures it is essential for firms to

consider the "green" adjective to marketing strategies (Ghosh, 2010, p.83).

The plan is to buy an item but the timing is left to the individual to plan. The willingness of a customer to buy a certain product or a certain service is known as purchase intention.

Fast Moving Consumer Goods (FMCG) sector is a considerably large sector in Sri Lankan economy which the stakeholders have to open their eyes on eco-friendliness as it is one of growing industries which has focused on green marketing strategies all over the world. Since urban societies become more complex and prone to increasing problems due to environmental pollution and unethical business practices, there is a significant attention been drawn by both consumers and business organizations on natural environment. Consequently, some businesses have begun reform their behavior in an attempt to address this society's "new" concerns.

Their study revealed that the Sri Lankan consumers have a substantial awareness of green products and they are willing to pay more for green products. Although the term "green products" is attracting a high attention of Sri Lankan people, the real factors affecting green purchasing decisions in the Sri Lankan context are not yet sufficiently discovered empirically.

2. REVIEW OF LITERATURE Green Marketing

Green marketing is also termed as environmental marketing or ecological marketing. According to American Marketing Association, marketing of products that are presumed to be environmentally safe is called as Green Marketing. Thus wide range of activities are covered under green marketing, which includes modifying the product, making changes in the production process and packaging, as well as modifying advertising or removing any activity that impacts the environment in negative way.

D'Souza et al. (2006) suggested there is an expectation on the part of consumers that all products offered should be environmentally safe without a need to trade off quality and/or pay premium prices for them. This research revealed that consumers who purchase green products are between 18 and 45 years old, hold a postgraduate qualification and have a positive attitude towards the environment. The results also showed that consumers who are married or in a Democratic factor relationship are more likely to purchase green products.

D'Souza et al. (2006) argued that some consumers considered the information given on product labels inaccurate and therefore they do not rely on the

labels to make purchasing decisions towards green products.

W.M.C.B. Wanninayake and Pradeep Randiwela(2008) described that Though consumers are willing to purchase green products, many business organizations still in behind the need of the eco friendly society. Business organizations to follow strategies in order to get benefits from the environmentally friendly approach as green marketing offers business incentives and growth opportunities while it may involve start-up costs, it will save money in the long term. Organization can reinforce environmental credibility by using sustainable marketing and communications such as public relations and creative advertising associated with green issues in Sri Lanka.

Roger A Kerin et al (2007) suggested that Green Marketing takes many forms. It comes from product development opportunities that emanate both from consumer research and its “Pollution Prevention Pays” program. This program solicits employee suggestions on how to reduce pollution and recycle materials.

Green Consumer

The effective and efficient use of the natural resources and preservation of it has led to consumers’ segments to form green consumerism (Solomon, 2010). In 2007, Chitra made a survey on 60 respondents in India and showed that he could classify respondents in four categories the “aspirants”, “the addicts”, the “adjusters” and the “avoiders”. This survey showed that the majority of the respondents can be categorized as “aspirants”; that means those individuals are aware of environmental issues and want to develop green purchase behaviors (Chitra, 2007).

Consumers who have positive attitude towards the environment are more willing to purchase green products (Balderjahn, 1988).

A survey made in 2008 on a convenience sample of 887 Portuguese individuals concluded that we could identify three segments of green consumers (Finisterra do Paço et al., 2009). “The uncommitted” was the most important segment (36%) mainly composed of young people (18-34 years) having knowledge about environmental issues but with negative positions towards green purchase behaviors. “The green activists” composed of 35% of the sample who are between 25-34 years and 45-54 years have an education level higher than the first segment and high incomes. They buy green products but they are more skeptical concerning the green advertisements’ campaigns. Finally the third group identified was composed of 29% of the sample. The age of this sample is higher than the other two segments, they have a lower educational level compared to the others and

even if they have negative position towards environmental issues they are activists; that point is paradoxical (Finisterra do Paço et al., 2009).

Consumer Attitudes

In a consumer behavior approach, Solomon et al. (2010, p. 643) defined the attitude as “a lasting, general evaluation of people (including oneself) objects or issues.” The AMA defines it also as “a cognitive process involving positive or negative valences, feelings, or emotions”

Chen (2007) stated that consumer attitude and preferences to the purchase of a particular product are based on consumer attitude and personal desirability of performing a behavior. Attitude towards a certain behavior is based on the expectations and beliefs of the consequences as a result of a particular behavior (Ajzen, 1991; Tarkiainen and Sundqvist, 2005; Chen, 2007)

Varsha Agarwal and Ganesh(2013) found that to fulfill the needs and wants of the individuals, satisfaction and quality of products is needed to be ensured by marketers. Hence, consumers always seek for innovative products that can offer those benefits. Therefore, marketers have to understand relevance of green marketing for protecting the environment, improved quality of life and conservation of natural resources. In order to expand the business, marketing managers should pay more attention towards satisfaction, purchase intentions and product involvement. In this context, the study highlights the importance of packaging as a part of product strategy which is crucial. Hence the results of the study reveal that the consumers are moving towards the purchase of environmental friendly products.

Purchase intention

Consumer Perception is defined as the way that customers usually view or feel about certain services and products. It can also be related to customer satisfaction which is the expectation of the customer towards the products. Consumers are increasingly better informed and becoming aware of the environmental impact of consumer products and are thus demanding that industry improves the environmental performance of its products.

Kishore Kumar and Byram Anand (2013) discussed that the purchase intention of consumers is influenced by psychographic variables. The consumers who have positive ecological behavior also possess knowledge about various green products like ecofriendly paper. The consumers are influenced by personal norms than social norms while adopting environment-friendly products like eco-paper. The consumers with positive attitude about eco-friendly paper are strong purchase intention towards the

product. The consumers purchase intention towards green products cannot be identified by demographic variables. This result is consistent with earlier studies (Straughan and Roberts, 1999).

3. RESEARCH PROBLEM

The purpose of conducting the research is to identify the factors used from consumers (Consumer perception, life time measures, and socio economic characteristics) to influence them to purchase intention of eco-friendly products. Our purpose is to look into the green marketing in the view of the consumers' attitudes towards purchase of green products. We will analyze these factors according to the consumers' point of view, which influence them and which lead them to develop attitudes towards the purchase or not of eco-friendly products.

In this respect, this study examines attitudes towards eco-friendly products and purchase intention in the fast moving consumer goods: A study in Northern Province, Sri Lanka. According to the above studies, there is a question arise consumer's attitudes towards eco-friendly product impact/ associate on or with purchase intention in the fast moving consumer goods: A study in Northern Province, Sri Lanka.

4. RESEARCH QUESTIONS

Based on the research problem of the study the following research questions (RQ) were formulated,

- RQ1: Do consumer perception on eco friendly product impact on Purchase Intention?
- RQ2: Is there any association between consumer perception on eco-friendly product and purchase intention?
- RQ3: Is there any association between lifetime measure and Purchase intention?
- RQ4: Do socio-economic characteristics or democratic factors associate purchase intention?

5. RESEARCH OBJECTIVES

The main Objective of the study finds out Consumer consumers' attitudes towards eco-friendly products and purchase intention in the fast moving consumer goods: A study in Northern Province, Sri Lanka. And following objectives are developed sub objectives

- To find out the relationship between Consumer Perception on eco friendly product and Purchase intention
- To identify the association between lifestyle measures and Purchase intention.
- To access the relationship between socio-economic characteristics and purchase intention
- To develop and explore some probable solution and recommendation for positively

applying eco-friendly marketing activities in Sri Lanka.

6. SCOPE OF THE STUDY

The studies based on the primary data which gathered through a structured questionnaire distributed among the respondent in Northern province, Sri Lanka. These respondent were selected on convenience / judgmental sample basis totaled as 250 in number.

7. RESEARCH METHODOLOGY

Researchers took deductive approach was supported and fulfilled the requirements. This research suggests that reality is subjective. It is appropriate for current study since intentions are subjective to individual needs and attitude. This research is quantitative and studies the impact of independent variables (Socio-demographic variables, Attitude Measures, Purchasing Measures and Life time measures) on dependent variable (Green Purchase Intention).

Four independent variables have been used in this study. They are Demographic characteristics, Lifetime measures, Perception measures and Attitude.

Demographic Characteristics

Demographics are defined as statistical data about the characteristics of a population, such as the age, gender and income of the people within the population.

Lifetime measures

Customer lifetime value (CLV) is a metric that represents the total net profit a company makes from any given customer. CLV is an important metric for determining how much money a company wants to spend on acquiring new customers and how much repeat business a company can expect from certain consumers.

Perception

A marketing concept that encompasses a customer's impression, awareness and/or consciousness about a company or its offerings. Customer perception is typically affected by advertising, reviews, public relations, social media, personal experiences and other channels.

Attitude

Consumer attitude simply as a composite of a consumer's beliefs, feelings, and behavioral intentions toward some object within the context of marketing. A consumer can hold negative or positive beliefs or feelings toward a product or service.

Purchase Intention

The willingness of a customer to buy a certain product or a certain service is known as purchase intention. Purchase intention is a dependent variable that depends on several external and internal factors.

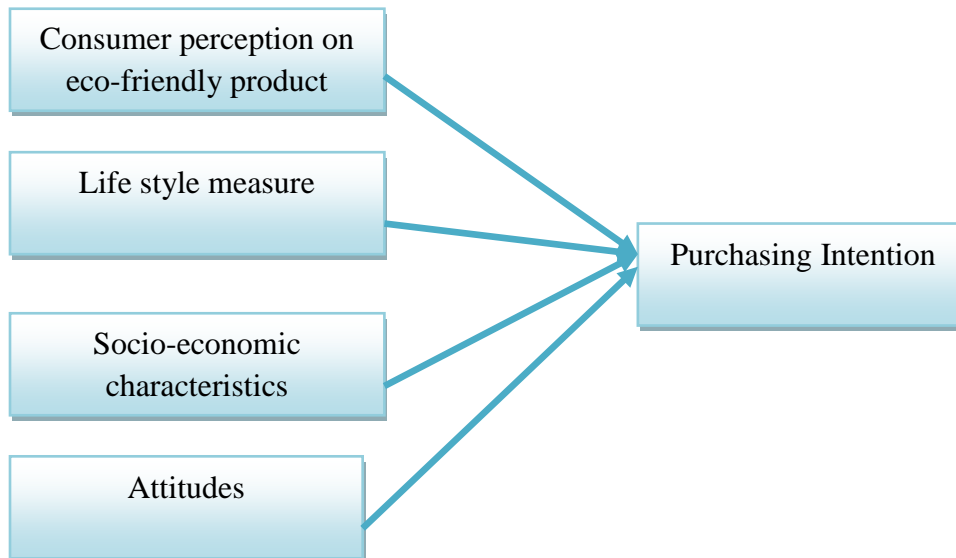
8. POPULATION, SAMPLE DESIGN AND SAMPLE SIZE

First step in sampling method is to select the sample in a group of units that is called population. As all the people who live in Vavuniya District has been chosen as our population.

To reduce the sampling error, the largest the sample is the more the data can be generalized and representative of the population. As a non-probability sample is used, the sample size is “a more or less subjective judgment made by researchers”. For this study it was intended to obtain a sample of 250 respondents. The questionnaire was distributed to 300 selected people.

The research instrument, questionnaire, was comprised with two parts. Part one includes demographic questions such as gender, age, education level, monthly income, etc. The second part involved with the research variables which are included in the conceptualization. In the quantitative approach, the survey instrument in the form of 5 point Likert scale was adopted where 1 = “Strongly Disagree” and 5 = “Strong agree” for all statements. Likert scale is the most widely applied rating scale that requires participants to indicate the degree of agreement and disagreement on each individual statement (Malhotra & Birks, 2007). Most of the measurement items are taken from previous studies with minor modifications.

9. QUESTIONNAIRE DESIGN 10. CONCEPTUAL MODEL



11. HYPOTHESES DEVELOPMENT

The following hypotheses were formulated for this study based on the clear literature review in the field of Consumer attitude, Purchase intention, lifetime measurers, and demographic variables.

H₁: There is a significant impact of consumers’ attitudes towards eco-friendly products and purchase intention in the fast moving consumer goods

H₂: There is a significant impact of Perception Measures on Purchase Intention in Fast Moving Consumer Goods

H₃: There is a significant impact of Purchasing Pattern on Purchase Intention in Fast Moving Consumer Goods.

H₄: There is significant positive relationship between consumer perception of eco-friendly product in Fast moving consumer goods and purchase intention.

H₅: There is significant negative relationship exists between socio-economic characteristics and purchase intention in the fast moving consumer goods.

H₆: There is significant positive relationship between Attitude measure and purchase intention in the fast moving consumer goods.

H₇: There is a significant positive relationship between Perception Measures and Purchase Intention in Fast Moving Consumer Goods.

12. ANALYSIS AND DISCUSSION

Reliability of Scale

Cronbach’s alpha is “a widely used measurement of the internal consistency of a multi-item

scale in which the average of all possible split-half coefficient is taken (Sjiu et al., 2009, p. 726) in other words it permits to measure the internal consistency between different items (from the same scale) in order to see if some items are correlated and can be computed in one variable (Shiu et al., 2009, p. 403). The following table presents the consistency of variables we

created for our analysis, as we can see the Cronbach's alpha are above 0.700 for most of our variables that we want to test, so the reliability between items are enough consistent. However we have some variables that are between 0.600 and 0.700 which can indicate a weak level of internal consistency between the items.

Reliability Statistics

Cronbach's Alpha	N of Items
.700	25

Table I: Correlation Analysis

		Lifetime Measures	Purchasing Pattern	Perception Measures	Attitude Measures	Purchase Intention
Life time Measures	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	250				
Purchasing Pattern	Pearson Correlation	-.070	1			
	Sig. (2-tailed)	.269				
	N	250	250			
Perception Measures	Pearson Correlation	-.088	.111	1		
	Sig. (2-tailed)	.163	.081			
	N	250	250	250		
Attitude Measures	Pearson Correlation	-.094	.129*	.428**	1	
	Sig. (2-tailed)	.139	.041	.000		
	N	250	250	250	250	
Purchase Intention	Pearson Correlation	-.044	-.139*	.182**	.450**	1
	Sig. (2-tailed)	.490	.028	.004	.000	
	N	250	250	250	250	250

* Correlation is significant at the 0.05 level (2-tailed).

Table II: Summary of Correlation Analysis

Dependent Variable	Independent Variable	Correlation	Relationship
Purchase Intention	Gender	-0.044	Negative
	Age	0.122	Positive
	Marital Status	-0.161	Negative
	Current Status	-0.282	Negative
	Income	-0.197	Negative
	Education	-0.138	Negative
	Household Income	0.248	Positive

There is a negative relationship between Purchase Intention and Democratic Variables other than age and household income.

Dependent Variable	Independent Variable	Correlation	Relationship
Purchase Intention	Lifetime Measures	-0.044	Negative
	Purchasing Pattern	-0.139	Negative
	Perception Measures	0.182	Positive
	Attitude Measures	0.450	Positive

13. CONCLUSION

The study concludes that consumer is waking up to the virtues of green products. But it is still a new concept for the majority. The new green movements need to reach the masses and that will take a lot of time and effort. The consumers with positive attitude about eco-friendly paper are strong purchase intention towards the product. The consumers purchase intention towards green products cannot be identified by demographic variables.

The authors suggest business organizations to follow strategies in order to get benefits from the environmentally friendly approach as green marketing offers business incentives and growth opportunities while it may involve start-up costs, it will save money in the long term.

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14. RECOMMENDATION

The consumer purchase intention will also be influenced by other factors like price, branding etc. Hence such factors can be included to know the impact of pricing strategies, branding strategies on purchase behavior of consumers. The future studies can also be conducted to understand how other factors like values, beliefs, past experiences of consumers with regard to green products influence the consumer behavior.

As the current research is restricted to the investigation on the green product generally, future study should focus on the consumers’ attitude and

perception on the green label, green packaging and green values or green service on a specific type of green product in the market. Finally, future research should consider including the areas of green purchase intention and green buying commitment.

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