

# Impact of Green Advertising on Consumer Purchase Behavior

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## Abstract

**Purpose:** The main intention to write this paper is to determine the impact of green advertising on customer purchase behavior and analyze the effect of Eco-literacy and environmental concern on consumer buying behavior.

**Methodology/Approach:** we collect primary data the target population for the study was the undergraduate, graduate and post graduate students of Islamia University Bahawalpur Pakistan. Sample size was of 384 students. We apply co-relation and regression test techniques to find out consumers responses. The finding of our research shows that consumer buying behavior is influenced by environmental concern and Eco-literacy.

**Findings:** The findings of our research shows that consumer buying behavior is influenced by environmental concerns and Eco-literacy. It means those consumers who have knowledge about environmental issues and those who are more concerned about environmental betterment will positively respond toward green advertising.

**Future Implications and limitations:** The study will be helpful for creating awareness in people about green advertising and convincing them to purchase those products that are beneficial for themselves and for society as well. Our sample size is only students of Islamia university due to time constraints but, if in future general public is considered as sample size then it will positively contribute for the betterment of the society by creating consciousness about environmental issues.

**Keywords:** Green advertising, Environmental friendly, Consumer purchase behavior, Environmental concerns, Eco-literacy

**Paper type:** Research paper

## Introduction:

Environmental issues are hot topics for discussion in academia and industrial sectors for more than 3 decades (Bush, 2008). According to Erdman (2008) that people are more concerned for the betterment of society and they demand environmental friendly products from marketers, so now different brands are in competition to be more environmental friendly. In recent years consumers awareness about ecological concern increases (Chitra, 2007). Now a day's organizations and industrial sector are taking action to increase their performance regarding environmental betterments to attract more green customers (Chen, 2008). As people awareness about ecological concern increases in Google website the word "going green" hits more than 15.6 million times in 2008 (Erdman, 2008). Marketers and educational professionals analysis' green consumer requirements and build up their marketing offering in such a way that fulfill consumers needs in better way also beneficial for the society as well (D'Souza *et al.*, 2007).

**Green marketing:** The term "Green marketing" refers to the planning, development and promotion of products or services that satisfy the needs of consumers for quality, output, accessible prices and service, without however a negative effect on the environment, with regard to the use of raw material, the consumption of energy etc (Davis, 1991; Kangis, 1992; Meffert and Kirchgeorg, 1994; Jain and Kaur, 2004; Peattie and Grane, 2005; Grant, 2008; Pride and Ferrell, 2008).



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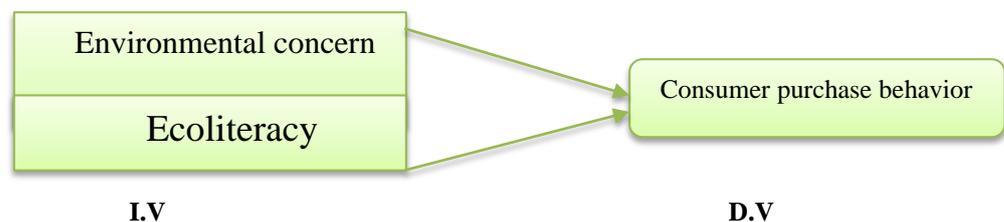
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**Green advertising:** “Green advertising includes those messages that are ecological, environmental friendly, and concern about environmental sustainability that aim is to fulfill the wants and requirements of environmental concerned people” (Zinkhan and Carlson, 1995).

Now a day every country is concerned about its environment and finds it essential to protect the environment from harmful emission of gases, industrial waste and all those products that are adversely affecting our environment. The main objective is to develop consciousness in people about green marketing and to encourage them to optimistically respond toward ecological products, and to inform them about environmental issues. Green advertising has developed rapidly in the last two decades (Futerra, 2008), it become a suitable and powerful force behind increasing society understanding of ecological issues and rapidly increasing demand for eco-friendly goods (Easterling et al., 1996; Polonsky et al., 1997). The main focus of our research would be to positively contribute to environment healthy activities by reducing harmful effects of certain industry practices on the ecology through green advertising.

Firms start to implement green strategies due to consumer consciousness about ecological issues (Ginsberg and Bloom, 2004) and establishing promotional activities by using environmental messages to gain customers and take competitive edge more than their competitors. (Connolly and Prothero, 2003) emphasize that a well executed green positioning strategy can deliver positive opinions of the products. Literature shows that organizations are now focusing on green advertising and positively respond towards consumers demands of green products. There are number of factors in green advertising that have an influence on consumer attitude toward buying green products (D’Souza et al., 2007). Trend of “going-green” at this time broaden to the Asian region, where ecological pressure are troubling governments and citizens (Lee, 2008). Pakistan facing harmful air pollution, poor water quality and high intensity traffic noise. Now Pakistani government and people have started to understand the environmental issues and start focusing to make the environment better.

#### Research model:



#### Literature review:

**Green marketing:** Green marketing deals with 4p’s of marketing (product, price, place, and promotion) to satisfy the consumer by providing best quality commodities, and their impact on the environment whether positive or negative. (Davis, 1991; Kangis, 1992; Meffet and Kirchgorg, 1994; Jain and Kaur, 2004; Peattie and Grane, 2005; Grant, 2008; Pride and Ferrell, 2008) The American Marketing Association (AMA) defines “green marketing as the marketing of products that are acknowledged to be environmentally safe, it include various activities such as alteration of products, modification in to manufacturing procedure, packaging, advertising approaches and create increases understanding on marketing amongst industries”.

#### Purpose of green marketing:

- Increase environmental fitness
- customer contentment

Every product has its influence on the humanity. Therefore organizations are using different words like “green product” and “environmental products”. Which give the impact that these products are free off contaminated contents (Ottman, Stafford, Hartman, 2006).

**Green advertising:** “Green advertising refers to messages that include natural, ecological maintenances’ environmental-friendly contents that aim to satisfy the wants and wishes of ecological fretful consumers” (Zinkhan and Carlson, 1995). Governmental regulations and factors affecting the businesses put strain on the companies to change their policies and strategies according to the environmental changes and make the environment friendly products. In fact advertising play very important role in exchanging words concerning ecological issues and creating awareness regarding environmental friendly products among users of products (consumers) and manufactures (organizations) (Gura’u and Ranchhod, 2005; Menon and



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Menon, 1997; Polonsky and Rosenberger, 2001; Sriram and Forman, 1993). It is proved that green advertising is increasing at rapid pace during last 20 years (Futerra, 2008). It creates much understanding about environmental concerns and consumer and environmental friendly products (Easterling et al., 1996; Polonsky et al., 1997).

**Environmental advertisements:** In today's scenario companies major focus is providing awareness among the people about the green products and its importance. Especially to those people who are more enthusiastic about knowing how much a product is environmental friendly. So the main purposes of companies are forcing them to use the ecological friendly products (Rahbar and Wahid, 2011). According to Davis (1994), firms have three elements of environmental advertising. First of all, the advertisement starts with a statement of business concern for the environment. Secondly, the advertisement explains the procedure in order to express its concern and devotion for the betterment of the environment. Thirdly, the advertisement illustrates particular environmental achievements in which the company is involved. According to Baldwin (1993), "environmental advertisements help to form a consumer's values and translate these values into the purchase of green products.

**Ecoliteracy:** It concerns with providing the information about product and its influence in the society (D'Souza et al., 2006). According to Laroche et al. (1996), people know how about ecology give a clear direction to the marketers to promote products. Marketers pinpoint that issues and factors which affect the environment. And then advertise the products according to it this will increase the trust of people on the products of particular companies hence ultimately profits of the companies Laroche et al. (2001)

Therefore ecoliteracy is actually the knowhow of consumers or people about products and its impact on the environment and ultimately their responses towards these impacts. It can be said that it deals with mindset of the people towards ecology (Laroche et al., 1996).

**Environmental Concern:** Previous studies on green advertising states that those consumers who are more concerned about environment and do efforts to make their environment healthy, are enthusiastic to buy green products, and show their intentions to purchase those products which having ecological claims, green consumers take safety in consideration while making purchase decisions, consumers who are more anxious about environment switch toward products for ecological basis and shift toward those brands packaged in recyclable containers. We can access consumer's positive behavior toward ecological concerns by taking views on statement such as: "We have a responsibility to avoid purchasing or using products that are known to be damaging to the environment" (Schwepker, C. H., & Cornwell, T. B. 1991).

**Attitude toward green advertising:** Preceding studies on consumer behavior toward green advertising were very broad and deal with various ideas that we are considering as well. Previous studies add a view point that green consumers are motivated to pay higher prices for environmental friendly products (Phillips, 1999; Schlossberg, 1992 *Marketing*, April, 18 (4), 389-402. d as being green." Finally we included "I prefer products with eco-labeled packages" based on current trends in packaging and labeling to include environmentally friendly messages and/or recycling information

**Relevance:** previous studies show that consumers response more favorably toward green advertising of those products that are relevant to their daily life. Yang (2004) states two types of relevance Ad-consumer relevance and Brand-consumer relevance. (Ahmad, Ali Shah and Khursheed, 2010)

**Credibility of Claim:** Earlier studies support the examination that consumers behave more positively toward ecological friendly products and state that advertising having environmental messages is reliable (Mathur and Mathur, 2000). Those brands having green image may develop strong relationship between consumers and brand and ultimately brands gain customer loyalty (Ginsberg et al., 2004).

### **Hypothesis:**

In order to determine consumer attitude towards green advertising following hypotheses are developed:

**H<sub>1</sub>:** Consumers having knowledge about green products will respond positively to advertising of green products

**H<sub>2</sub>:** Environmental concern consumers will positively respond to green advertising having relevance with their daily lives.



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### Research Methodology:

**Dependent variable:** The dependent variable of this study is “consumers buying behavior” As we are going to check out the impact of green advertising on consumer buying behavior.

**Independent variable:** The independent variables of this study are ecoliteracy and environmental concerns, because we want to know that up to what extend consumer purchase behavior is influenced by eco-literacy and their attitude toward environmental concerns.

### Measure:

Data was collected by using structured questionnaire. A five-point Likert scale was used for measurement. The scale consisted of five levels of agreement, starting from strongly agree up to strongly disagree (1=strongly agree, 2=agree, 3=not sure, 4=disagree and, 5=strongly disagree). There are 20 items in questionnaire to get responses of people about their behavior toward green advertising. The items of questionnaire were adapted from “Green Advertising and Environmentally Responsible Consumer” by (Haytko & Erika Matulich).

### Data Collection and Sample Size:

The research is based on primary data. The respondents of this study was the under graduate, graduate and postgraduate business students of “The Islamia University of Bahawalpur, Punjab Pakistan”. Business students are chosen as there is a general observation among people that these students are more knowledgeable and concerned about the environment than students belong to other disciplines (Haytko & Erika Matulich). We select sample size from Morgan table in which above 100000 population sample size is 384 The sample consisted of 384 participants. 301 respondents properly filled the questionnaire and 83 respondents not respond properly, due to time and cost limitation random sampling was used to gain data from respondents.

### Data Analysis:

To analysis the data we apply three techniques Cronbach’s alpha, Correlation and Regression.

### Cronbach’s Alpha:

To check the overall reliability of the instrument used, the technique of Cronbach’s alpha was run. The computed value of Cronbach’s Alpha is 0.861 Of 20 items .it is above the standard value proposed by (Nummally, 1978) of 0.70 which shows that our instrument is reliable for determining the factors and the chosen sample is adequate for this study.

### Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .861             | 20         |

### Correlation Analysis

Pearson correlation technique was run to identify the relationship between dependant and independent variables. We applied correlation on consumer buying behavior (dependent variable) and (independent variable) Ecoliteracy and environmental concern. The result of correlation is shown in table below. The relationship between dependant and independent variable was found significant at p value of 0.00 levels. This relationship shows a positive and strong relationship among variables. The value of correlation should be greater than .50 .our computed value of correlation is .788 which shows a strong and positive relationship among consumer buying behavior and environmental concern, as the significance value should be greater than .05 so our significance value is .000 it means that our second hypothesis is accepted as there is strong relationship between environmental concern and consumer buying behavior.



**Correlations**

|          |                     | consumer | en_con |
|----------|---------------------|----------|--------|
| consumer | Pearson Correlation | 1        | .788** |
|          | Sig. (2-tailed)     |          | .000   |
|          | N                   | 299      | 299    |
| en_con   | Pearson Correlation | .788**   | 1      |
|          | Sig. (2-tailed)     | .000     |        |
|          | N                   | 299      | 299    |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Correlation value of second variable eco-literacy is 503; it is greater than .50 it means that moderate relationship exist between eco-literacy and consumer buying behavior. Its significance value is less than .05 it means that our first hypothesis accepted, which shows that consumer having knowledge about green advertising respond positively toward green advertising. The study on “The influence of neco-literacy, interpersonal influence and value orientation” (Cheah, Phau, 2011) also support the results that we computed that there is good relationship exist between eco-literacy and consumer purchase behavior.

**Correlations**

|          |                     | consumer | eco_L  |
|----------|---------------------|----------|--------|
| consumer | Pearson Correlation | 1        | .503** |
|          | Sig. (2-tailed)     |          | .000   |
|          | N                   | 299      | 299    |
| eco_L    | Pearson Correlation | .503**   | 1      |
|          | Sig. (2-tailed)     | .000     |        |
|          | N                   | 299      | 299    |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Regression Analysis:**

**Model Summary<sup>b</sup>**

| Model | R                 | R Square | Adjusted Square | R | Std. Error of the Estimate |
|-------|-------------------|----------|-----------------|---|----------------------------|
| 1     | .789 <sup>a</sup> | .623     | .621            |   | .40967                     |

a. Predictors: (Constant), en\_con, eco\_L

b. Dependent Variable: consumer

**ANOVA<sup>b</sup>**

| Model |            | Sum of Squares | Df  | Mean Square | F       | Sig.              |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1     | Regression | 82.159         | 2   | 41.080      | 244.769 | .000 <sup>a</sup> |
|       | Residual   | 49.678         | 296 | .168        |         |                   |
|       | Total      | 131.837        | 298 |             |         |                   |

a. Predictors: (Constant), en\_con, eco\_L

b. Dependent Variable: consumer

**Conclusion:**

The main purpose of this paper is to find the impact of green advertising on consumer purchase behavior of student of Islamia university Bahawalpur .we take students of university as sample size because previous research supports that business students are more concerned about environment ( Haytko, Matulich, 2010). This paper focused on two factors environmental



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concern and eco-literacy to analysis the impact of green advertising on consumer purchase behavior. It means that up to what extend consumer knowledge and their concern for environment affect their buying behaviors (Cheah, Phau, 2011). Ecoliteracy concerns with providing the information about product and its influence in the society (D'Souza et al., 2006). According to Laroche et al. (1996), people know how about ecology give a clear direction to the marketers to promote products, people who are more concerned about environment having statements such as "We have a responsibility to avoid purchasing or using products that are known to be damaging to the environment" (Schwepker, C. H., & Cornwell, T. B. 1991).

The findings of the study shows that there is strong and positive co- relation exist between green advertising and consumer purchase .it means that consumers who have more knowledge about green products and showing environmental concern respond more positively toward green advertising. This paper also conclude that consumers are willing to pay more for green products (Haytko, Matulich, 2010)

### Recommendations

The findings and conclusion of this paper will be helpful for creating awareness in people about green advertising and convincing them to purchase those products that are beneficial for themselves and for society as well. Our sample size is only students of Islamia University due to time constraints but, if in future general public is considered as sample size then it will positively contribute for the betterment of the society by creating conciseness about environmental issues in people.

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