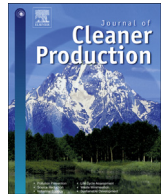




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Investigating factors influencing consumer decision-making while choosing green products

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ABSTRACT

There are multiple indicators known to researchers influencing consumer's knowledge, commitment, and general awareness of consumers regarding green products. However, there is lack of structural constructs defining how these indicators interact with different dimensions of consumers' green consciousness while choosing green products. This research investigates the influence of consumers' knowledge, commitment, and general awareness related to green products on their green consciousness while making decisions for buying green products. Consumers visiting four shopping malls in the city of Athens have been sampled based on their choice of green food products and requested to fill a self-assessment card. A structural construct is presented in this research using data collected from 253 respondents visiting four shopping malls in Athens. The techniques used are Principal Component Analysis, confirmatory factor analysis, and structural equation modeling. The outcome of the research is a construct showing the influence of 15 indicators reflecting consumers' knowledge, commitment, and general awareness of consumers about green products on four domains of their green consciousness: environmental benefits, economic benefits, green reliability, and green appearance. The construct divides the indicators into general awareness, knowledge, and commitment of consumers and presents their interactions with the four consciousness domains. The model presents how consumers make use of their general awareness of, knowledge of, and commitment to green products in shaping their overall consciousness about environmental benefits, economic benefits, green reliability, and green appearance such that they can make a decision for purchasing a green product. This research value adds to the limited empirical knowledge base on structural constructs showing interactions among key variables in influencing consumers' green consciousness and decision-making for purchasing products with green attributes. The model also clarifies how consumers weigh environmental and economical benefits while choosing green products. The structural construct is a useful addition to the existing constructs helpful for green labelers and marketers in their strategies for promoting green products. The only limitation of the research is that the construct has been formed based on data collected from consumers in one city (Athens). However, the consumers sampled are general consumers of household consumables that purchase a few green products among their regular purchases.

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1. Introduction

The concept of green products is related to sustainable manufacturing and supply chain management, which involves environment friendly, planet friendly, and people friendly standards, technologies and practices (Palevich, 2012). The concept of green is extended to almost every process step of procuring raw materials, producing, storing, packaging, shipping, and distribution

of products (Palevich, 2012). For developing green processes in an entire supply chain, an organization need to investigate the environmental and other factors influenced by the supply chain, identify the changes needed in the existing supply chain, identify sustainability challenges, identify their solutions, identify performance measures (and ways of measuring them), and develop a long-term sustainability plan (Beamon, 1999).

The consumers are informed about the concept of green products through green marketing (Peattie and Charter, 2003). Peattie and Charter (2003: p. 736) stated that green marketing has evolved new opportunities for market development,

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differentiation, cost advantage, niche building, and customer segmentation. However, they also emphasized that it is very difficult to isolate green consumers from the rest given that every consumer prefers one or another attribute of a green product. Even more challenging is the fact that it is very difficult to correlate green consumers' attributes with their other segmentation attributes, like demographics, age, gender, race, and such other attributes (Peattie and Charter, 2003). Peattie and Charter (2003: p. 738–742) concluded that marketers should know about what green consumers are looking for in a green product before positioning their green labeling. It needs to be ascertained whether they are looking at true ecological performance of the product (socially responsible consumption) or are looking for personal benefits (Peattie and Charter, 2003). Mohr et al. (2001) defined socially responsible consumption as the pattern of purchasing and consuming products that maximizes long-term benefits for, and minimizes hazardous effects on consumers and societies.

In spite of lack of adequate research about consumers' behavior in choosing green products, the fact that the consumers spend \$25 Billion per year on green products in the US alone cannot be ignored (Ferrell and Hartline, 2011). Ferrell and Hartline (2011: p. 72) argued that green labeling has done wonders in increasing product sales in the US and Europe and hence, marketers consider it as a major differentiator while defining product specifications. Kotler (2000: p. 148) reported that 42% consumers in US are ready to pay premiums for green products. However, green consumers are sophisticated buyers and the marketers need to know their preferences while designing a green product (Banyte, Brazioniene and Gadeikiene, 2010a). The field of green consumerism is still evolving and hence, significant research-based contributions are needed (Young et al., 2010).

In a broad context, sustainability may be viewed as balancing among social, ecological, and environmental goals and their consequences on societies and our planet (Elkington, 1998). The modern perspective of sustainable consumption is that the current generations should fulfill their needs without compromising the ability of future generations in fulfilling their needs (Schaefer and Crane, 2005). The primary responsibility of sustainable consumption is with the consumers that are expected to translate their beliefs and values about sustainability into their demands and purchasing behaviors (Schaefer and Crane, 2005). This in turn will help producers and marketers evolve a system for fulfilling their needs by studying the sustainable beliefs, values, attitudes, and behaviors of consumers (Schaefer and Crane, 2005). However, the traditional regression methods of studying consumer attitudes and behaviors may not reveal their belief and values pertaining to sustainable consumption (Manichelli et al., 2014).

There may be hidden attributes that can be surfaced by studying interrelationships among multiple variables (Manichelli et al., 2014). White, MacDonnell and Ellard (2012) and Pepper et al. (2009) emphasized that the values motivating socially responsible consumption provide guidelines for best possible living and considering welfare and justice for others (including current and future generations). As per Schwartz's theory, social values in an individual comprise respect for customs and traditions, conformity to social norms, and considering welfare of others that may be directly linked with the individual (Schwartz, 1992, 1994).

How do the manufacturers and marketers discover consumer values and beliefs? Do they really care for them? Akenji (2014) emphasized that producers will make products only if there is a market for them. Their primary concern has always been revenues and profits. The consumer behaviors and purchasing patterns have been determining the product types and features they have been producing. The producers have been communicating favorable product features to consumer likings back to them through

advertisements and creating brand loyalties. Why should this change in green consumerism?

If consumers drive what is produced, they can drive sustainable production. A powerful segment of ecologically conscious and well-informed consumers can put pressures on the producers. However, this is where there is a flaw. Consumers may know a lot about sustainable products, but how will they know if the product in a package meets the standards and norms? Here, a new form of branding may be emerging – the branding of green labels, ecological certifications, and the certification authorities. The Triple “I” framework by Akenji and Bengtsson (2010) clarifies this emerging theory. Triple “I” stand for “interest, influence, and instruments.” The actor (consumer) equipped with Triple “I” taking help of certain indicators shall be focused on the consequences (social, economical, and environmental) (Akenji and Bengtsson, 2010; Akenji, 2014). The way consumers perceive these indicators need to be studied by marketers such that they can satisfy the consumers equipped with Triple “I”. The indicators may be interconnected through relationships that are not well understood by marketers. Scholars like Haws et al. (2013), Tseng and Hung (2013), Boztepe (2012), Thøgersen (2011), Thøgersen et al. (2012), Banyte, Brazioniene and Gadeikiene (2010a), Kai et al. (2013) and Young et al. (2010) have explored multivariate relationships among indicators of customers' attitudes and behaviors pertaining to green consumerism.

This study is focused upon consumers' commitment (interest) and their knowledge and general awareness about green products (influence). The third I (instruments) is not incorporated in this study because it may involve deep study of knowledge sources, green labels, certifications, standards, and such other technical systems that is not in the scope of this research. The research investigates the influence of consumers' commitment, knowledge, and general awareness on their green consciousness while buying products. The influence can be studied by investigating the indicators, as described by Akenji and Bengtsson (2010). They proposed many indicators, like infrastructure, policies, standards, certifications, and systems. However, what are the actual indicators that influence green consciousness? Are the consumers connected with the system of sustainable production or are simply treated as scapegoats? This research is an attempt to investigate the facts on the ground. The indicators are chosen from theories reviewed in the “Theoretical Review” section.

This research has the following objectives:

- (a) To investigate the indicators determining consumers' knowledge of, commitment to, and general awareness about green products
- (b) To investigate the hidden attributes of green consciousness
- (c) To investigate how the indicators determining consumers' knowledge, commitment, and general awareness are related with the attributes of green consciousness

The location of this research is Athens (the largest and oldest city in Greece). However, this research is not specific to Greece. The consumers sampled are general consumers of household consumables that purchase a few green consumer products among their regular purchases. There is nothing special in the sample that may differentiate it from buyers from rest of the world, except that they live in Athens. The outcomes of the research are significant for green consumer behavior for buying green consumer products as the data is related to this context only. For purchase behaviors of other green products, further research is suggested.

In this research, a combination of techniques have been chosen using SPSS and LISREL for evolving a model showing hidden relationships between the indicators determining consumers'

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