



Leveraging factors for sustained green consumption behavior based on consumption value perceptions: testing the structural model



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ABSTRACT

Changing lifestyle and consumption pattern being the aftermath of growth and urbanization, is putting a strain on environment and sustainable development. The consumption value perceptions are identified in the study as the drivers of sustained green product consumption and intention to pay the green price premium using the theory of consumption values. These value perceptions are certain parameters measuring consumer utilities along multiple value dimensions impacting choice behavior. Environmental attitude, contextual factors and consumer innovativeness were included as the first-order constructs. Data was collected through survey based method using structured questionnaires. Structural equation modeling was applied for testing the hypothesized model. Results confirmed consumers' price and knowledge perceptions to be the major determinants of the behavioral outcome of sustained green consumption and behavioral intention to pay the green price premium is the outcome of sustained green consumption. Implications of the research were discussed.

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1. Introduction

Framing a path for sustainable development can be fostered through effective changes in production processes and willingness to adapt to environmentally responsible consumption practices in the upcoming decades. Unsustainable production and consumption practices including inexpedient resource use act as significant contributors to the environmental crisis. Conceptualization and research on transitions to a sustainable production and consumption has emerged as a new global challenge. The Global Research Forum on Sustainable Production and Consumption (GRP-SPaC) formed as a joint initiative of various countries across the globe for bringing together organizations and individuals devoted towards the research and applications in the transition towards sustainable production/consumption practices (Vergragt et al., 2014). Fulfillment of needs by consumption of green or eco-friendly products which are produced without toxic chemicals from recyclable or biodegradable materials, have environment-friendly packaging and with low detrimental environmental impact at all stages of its life-cycle with long term goal of natural environment preservation (OECD, 2009) is termed as green consumption.

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The past two decades have witnessed unprecedented research on various facets of green consumption behavior. Consumer research recognizes that consumers' perception about environment-friendly products in the form of price consideration of products, urge to seek product information, want of social recognition, influence of situational variables; may have strong influence on green product consumption (Hirschman, 1980; Bei and Simpson, 1995; Straughan and Roberts, 1999; Laroche et al., 2001). These consumption value perceptions are certain parameters measuring consumer utilities along multiple dimensions such as value-for-money, social value, conditional and epistemic value acting as the basis for the development of their choice behavior.

To better understand the link between environmental behavioral parameters, consumption values and behavioral intentions towards green product consumption it is hence crucial to design credible models for consumer's response to environment-friendly stimuli. Through an empirically grounded consumption value model, we studied the influence of environmental attitude, contextual factors and consumer innovativeness on perceived consumption values. In this paper, the effect of perceived consumption values on behavioral intention to sustained green product consumption and willingness to pay on a virtual sample of Indian consumers has been tested. The remaining paper has been organized as; Section 2 defines the model and hypotheses deduced followed by empirical data and research design in Section 3. Section

4 presents the model calibration and the resultant outcomes. Finally, Section 5 discusses the derived findings and Section 6 presents the limitations and implications.

2. Theoretical context and research propositions

2.1. Influence of consumption values on consumer choice behavior: theoretical background

This section addresses the theoretical perspectives on consumer choice regarding environmental friendly products and postulates hypotheses regarding such purchase decisions. Various models have been developed to explain sustainable consumption behavior (or green choice behavior (Young et al., 2010) and pro-environmental behavior (Dietz et al., 1998)). The Theory of Reasoned Action (Fishbein and Ajzen, 1975) and Theory of Planned Behavior (stemming from the Theory of Reasoned Action) (Ajzen, 1991) have been widely applied in explaining environmental behaviors based on the attitudes and subjective norms, mediated by behavioral intentions with perceived behavioral control being included in the theoretical frame for Theory of Planned Behavior. The Theory of Planned Behavior have been applied for prognosticating various facets of environmental behaviors such as food consumption (Vermeir and Verbeke, 2008), household recycling (Kaiser and Gutscher, 2003), general pro-environmental behavior (Kaiser et al., 1996) and more. Norm-Activation-Model (NAM) and Value-Belief-Norm (VBN) theory are other theories applied in explaining environmental behaviors and citizenship (Stern et al., 1999). The Social Practices Approach, a theory where social practices refer to a domain of daily life has been applied to engender sustainability in daily life (Spaargaren, 2003; Shove and Walker, 2010). However, the theoretical underpinnings for our hypotheses are drawn from the theory of consumption values that recognizes importance of consumption values in prognosticating consumer choice behavior. Sheth et al. (1991) applied this theory on consumers' buying decisions, product decisions and brand decisions. Bei and Simpson (1995) identified value-for-money and quality perceptions as important determinants for choice behavior of recycled products. This theory had been applied by Long and Schiffman (2000) for analyzing consumer motivation, choice behavior and segmentation according to their values and relationships. The three value dimensions-value for money, social and emotional value were adopted to develop a perceived value scale for the assessment of consumer perceptions for the value of branded durable commodities (Sweeney and Soutar, 2001). Turel et al. (2010) applied this theory as means to explain user decisions for the use of hedonic digital artifact. Lin and Huang (2012) used this theory to determine the influence factors on consumer choice behavior for green products. The impact of consumption values on sustainable consumption behavior across different consumer segments with preferential green choice approach were studied by Biswas and Roy (2015).

The theory of consumption value is an integrated model incorporating components from various consumer value models based on the assumption that consumer choice is a function of multiple consumption values. Value is a personal, subjective concept including some intrinsic needs such as emotional aspects, knowledge concern as well as some implicit factors such as experiential need or prestige associated with the component purchase. Four such dimensions are value-for-money, social value, conditional value and epistemic value. Consumption value is the degree of fulfillment of consumer need by overall assessment of consumers' net utility or satisfaction from a product after comparing the gains with the gives. The value or utility of green products if higher than that of traditional substitutes will become a critical condition for

green consumption decision. Assuming consumers as value optimizers, then higher the value of green products, the stronger the consumption intention will be.

This study considers environmental attitude, contextual factors and consumer innovativeness as the explanatory variables in increasing consumers' perceived value of green product consumption through the development of a perceived value scale to assess the behavioral intention to sustained green product consumption and willingness-to-pay.

2.1.1. Value-for-Money

'Value-for-Money' is measured by consumers' perception about the product performance with respect to price. It is assessed as the primary driver of consumer choice behavior with regard to green product purchase decision (Sheth et al., 1991; Bei and Simpson, 1995; Biswas and Roy, 2015). 'Value-for-Money' for green products is the degree of fulfillment of consumer need by overall assessment of consumers' perceived net utility from green product consumption based on their perception about the price concern of green products. On the contrary, for selection of high-priced products other factors exclusive of price are also found to be influential (Lin and Huang, 2012). Beverage consumers in Germany perceive high value-for-money for products with environmentally compatible packaging (Van et al., 2009) whereas higher income group of Taiwanese consumers having high perceived value-for-money about green products, were willing to pay the green price premium (Tsay, 2010). Consumers' extreme price sensitivity or weak perception about green products' price exhibits lack of environmental attitude and responsibility (Malhotra and Maheshwari, 2011). The quantum of consumers taking environmentally responsive measures having a positive perception about the price of green products with the exhibition of the intention to pay the green price premium in the backdrop of developed nations, have witnessed substantive augmentation (Laroche et al., 2001; Eriksson, 2004; Lung, 2010).

2.1.2. Social value

Social value measures perceived utility derived from consumers' association with social groups. Social value for green products can be defined as the perceived net utility derived from green product consumption based on the perception about social pressure or prestige gain through engagement in environmental saving. Social pressure or comparisons, peer opinion (Jager, 2006; Pickett-Baker and Ozaki, 2008) are key factors in decision making process (Sheth et al., 1991; Bei and Simpson, 1995). Environmental attitudes are inspired by sense of social responsibility (Straughan and Roberts, 1999). Study conducted by Biswas and Roy (2015) have found a strong influence of social groups and want of social recognition on the consumption behavior of the consumer segment exhibiting a preferential approach for products with green credential. On the contrary several studies suggest that the influence of personal factors like attitude on consumers' behavioral intentions are more rather than social norms or pressure (Shamdasani et al., 1993; Biswas and Roy, 2015).

2.1.3. Conditional value

Conditional value denotes the perceived net utility derived in a specific situation or circumstances faced by the decision maker (Sheth et al., 1991; Sidiras and Koukios, 2004; Gadenne et al., 2011). Conditional value for green products can be operationalized as the net utility derived from green product consumption over conventional substitutes based on their perceived willingness to have personal benefits in the form of discounts or perception about situational variables leading to such consumption. Situational variables refer to the circumstances surrounding individuals based on

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