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Impacts of Corporate Social Responsibility on the Links Between Green Marketing Awareness and Consumer Purchase Intentions

Norazah Mohd Suki^{a,*}, Norbayah Mohd Suki^b, Nur Shahirah Azman^a

^aLabuan Faculty of International Finance, Universiti Malaysia Sabah, Labuan International Campus, 87000 Federal Territory of Labuan, Malaysia

^bFaculty of Computing and Informatics, Universiti Malaysia Sabah, Labuan International Campus, 87000 Federal Territory of Labuan, Malaysia

Abstract

This study examines the mediating roles of corporate social responsibility on the links between green marketing awareness and consumer purchase intentions. Data was analyzed using the partial least squares (PLS) approach for the analysis of structural equation models with SmartPLS computer program version 2.0. PLS results revealed that corporate social responsibility partially mediated the link between green marketing awareness and purchase intentions of the product. Consumers develop positive green marketing awareness based on the growing environmental knowledge. They were aware of the green marketing program of the retail store when they noticed that the store allocated specified space to sell eco-friendly products. Furthermore, the companies make their green marketing activities known to the public by distributing eco-friendly fliers which helps to increase sales revenue, raise consumer awareness, and develop greater intention to purchase the products. The outcomes of the mediating effects of this study add a new momentum to the growing literature and preceding discoveries on consumer green marketing awareness, which is inadequately researched in the Malaysian setting.

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* Corresponding author. Tel.: +6087 - 466 846; fax: +6087 - 460 477.
E-mail address: pmdrazah@ums.edu.my

1. Introduction

Green marketing is defined as “the effort by a company to design, promote, price and distribute products in a manner which promotes environmental protection” (Polonsky, 2011, p. 1311). Green marketing is part of the key movements in modern business sustainability though their primary concern has always been revenues and profits (Akenji, 2014; Maniatis, 2015; Yang et al., 2015). Companies focusing on the natural ecological balance in their entire operation are more environmentally friendly while maximizing profits, they reduce environmental pollution, conserve natural resources and protect the environment. They gain a unique competitive advantage and develop new markets as they improve their corporate image their reputation and their product image from the consumer perspective (Chen, 2008). Consumer green marketing awareness is materialized when customers have confidence in eco-label and eco-brand which influences their green product purchase behaviour (Norazah, 2013a, 2013b; Rahbar & Abdul Wahid, 2011).

Numerous studies have been conducted to establish the influence of consumer attitude towards green products and its impact on customer satisfaction in the Western countries but few studies of consumer green marketing awareness and purchase intention have been done in Asian countries, including Malaysia (Haytko & Matulich, 2008; Menichelli et al., 2014). Hence, this research aims to examine the mediating roles of corporate social responsibility on the links from green marketing awareness to consumer purchase intention. Research output on the existence of mediating effects would add a new impetus to the emergent literature and preceding studies on consumer green marketing awareness, which has been so far inadequately researched in the Malaysian setting.

Following this introduction, the ensuing section reviews the literature on green marketing awareness, purchase intention, and corporate social responsibility with the key hypotheses. Next, a clarification of the research method is presented. The subsequent section presents the data analysis, path analysis and hypotheses testing based on the development of structural equation models via the partial least square (PLS) approach. The final section is the discussion and conclusion of the research findings.

2. Literature review

Green marketing awareness is related to companies' understanding of their accountability for the quality of the environment while meeting customer needs, demands and satisfaction (Chan et al., 2012; Soonthonsmai, 2007). Scholars like Boztepe (2012), Haws et al. (2010), Kai et al. (2013), Maniatis (2015), Tseng and Hung (2013), Thøgersen et al. (2012), Yang et al. (2015) have investigated about customers' attitudes and behaviours concerning green consumerism. The key influencers of consumers' selection of a green product are green features of the product, and environmental awareness related to the particular product (Boztepe, 2012; Thøgersen et al., 2012). Consumers trust green labeling as an indicator of green features in the product that they otherwise might have known through some research and study (Thøgersen et al., 2012).

Prior research like Wheeler et al. (2013) noted that rejection of 'green' brands is due to a lack of awareness where a 'green' message is not sufficient to influence the shoppers' consideration set. Moreover, Haws et al. (2010) identified five factors contributing to environmental consciousness while buying products - consciousness about impact of products on environment, considering impacts of personal actions on environment, linking purchase habits with environmental protection, concerned about waste, commitment to environmental protection, and willing to be inconvenienced for taking environment friendly actions.

Green purchase intention is related to an individual's inclination to buy and use products with eco-friendly features when purchase considerations are based on the product features and source country of the product (Nik Abdul Rashid, 2009). Indeed, green product quality such as clear product ingredients information, eco-labeling, product appearance, and general assurance of user friendliness affected consumer green purchase decision making (Maniatis, 2015; Tseng & Hung, 2013). Producers position the environmental benefits of green products in consumers' minds to evoke their purchasing decision (Rex & Baumann, 2007, p. 567). Consumers tend to mix their green knowledge and attitudes with green brand awareness while choosing a green product (Matthes et al., 2013; Zhao et al., 2014).

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