

## **THE ROLE OF CUSTOMER'S BELIEVABILITY AND ATTITUDE IN GREEN PURCHASE INTENTION**

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### **Abstract**

This study investigates the role of customer's believability and attitude in green purchase intention. In this research green means the least damage to the environment. This research is an applied one and a descriptive-correlational. The statistical population includes the undergraduate diploma and bachelor students of Business Management from Azad University of Khuzestan Province (Abadan Branch) in 2013-2014, with a number of 290 using Morgan chart selected random selection. The data collection instrument is a researcher-made questionnaire whose validity has been investigated and confirmed by the experts in this field. To confirm the reliability the Cronbach's Alpha Coefficient was calculated and it was 0.71 for customer's believability and green purchase intention equal to 0.79. The research hypotheses were masrued using the significance level and regression test which can be said that the relationship of two variables with the green purchase is significant. Beta coefficient of customer's believability obtained as 0.14 and the attitude as 0.34.

**Keywords:** customer's believability, attitude, purchase intention, green marketing.

### **Introduction**

Environmental issues like gradual global warming and climate changings is highly dependent on the consumption increasing which has been possible by international business. More consumption leads to the environmental effects resulted from the productions, transportation, and wastage processes. Thus, more booming economy causes the increasing use of fuel and fossil energy existed on this planet in way that environment cannot sustain and this problem has led to setting the newer and stricter environmental rules. In the way towards development, the companies produce environment-friendly products and will add the new decreasing processes of energy consumption and harmful materials. Here, the "green" concept which has been repeated many times in this research is being defined. For a product or a process to be attributed as "green" the least harm against the environment is essential (Ramazanian, Esmaeilpour, & Tondkar, 2011).

### **Review of the literature**

#### **Green Marketing**

Unfortunately, most of the people believe that green marketing merely points to the promotion or advertising the products with environmental features. Words like without phosphate, recyclable, and ozone friendly are among the issues which most of the consumers relate them to green marketing, while these words are only some signs of green

marketing. Generally, green marketing is a more extensive concept that can be applied in consuming, industrial goods, and even services (Polanski). Green marketing is ascribed to the development and improvement of pricing, promoting, and distributing the goods which do not harm the environment (Pride & Ferrell, 1995). Salmon and Stewart (1997) define green marketing as a marketing strategy that support the environment by creating the recognizable environmental advantages based on what the customers expect. In 1976, the Marketing Association of America defines green marketing as studying the positive and negative effects of marketing on pollution and decreasing the energy and other resources. However, it should be stated that this definition is not a comprehensive one and there is a need for a more comprehensive definition. Polanski defines green marketing as green or environmental marketing includes all of the activities which are designed to establish and facilitate the exchanges in order to meet the human needs and demands in a way that these needs and demands satisfaction leave the least harmful and damaging impacts on the environment.

An important point worth mentioning here is that in green marketing the least damage occurs to the environment instead of stating that no damage occurs to it. It can be said that through the green marketing the companies achieve the competitive advantage compared with irresponsible companies. A lot of examples note that there are companies that try to be more responsible towards environment to be able to meet the consumers' needs better. For instance, tuna producers modified fishing techniques because of the people concern towards the regular fishnets and the increasing death of dolphins as a result. In green marketing there are other green concepts as following:

**Green customers:** are those people so worried about the natural environment and modify their purchase and consumption behavior in order to support the environment through purchasing the products which are environmentally healthy (Gavoni, 2004).

**Green production process:** producing with technologies which limit the pollution and/or eliminate it or have environmental benefits.

**Green financial affairs:** includes those types of accounting approaches trying to consider the financial and monetary values for the ecological investments and damages to the forests (Wetzel, 1999). It can be said generally that green is a word in marketing rooted in ecological discussions and the organizations or individuals apply it when they want to talk about the environmental or ecological pressures.

**Reasons of being green:** the results of the studies have shown that the environmental activities are rarely in accordance with the organizational evaluating criteria. In addition, a lot of companies use the traditional scales like earnings, rate of investment return, market share, and etc. for their evaluation about the environmental issues. A few companies have understood that being green bring them strategic advantages (Polanski & Rosenberg, 2001). An appropriate positioning starts at the time when the company produces something with real differences compared with competitive companies and in this way creates values for the customers (Cutler, 1999). Accordingly, regarding to this fact that environmental and social issues are nowadays highly important for the customers, caring about environmental issues in marketing activities brings about creating the competitive advantage for the company by which the company can achieve a good position in the market. The main reason of being green refers to economy. Studying the economy is that how people, regarding the limited resources, try to meet unlimited demands. Investigating the marketing literature reveals several reasons for increasing the green marketing activities by most of

the companies which here it is being tried to point to some of them. Being green can occur as the result of internal or external pressures (Polanski & Rosenberg, 2001).

#### **Important effects on decision**

The purchase decision making process is affected by two groups of controllable and uncontrollable factors which the most important ones are the socio-cultural and group, psychological and individual factors, situational and relevant factors to mixed marketing (Stocks, 2002. 12). The situational effects affect the behavioral attitude and individuals' formation. Situational factors which control the production and motivation should be identified and their effects should be understood, too. Environmental components which increase the social prestige improve self-esteem by feedback and are important determinants of customers' positive behavior. They create several reactions in the open stores for the customers who are so cautious about their choices. In closed stores, however, the customers do not have this caution and make decision based on the sales agents' behavior. Therefore, the domain of the customer's behavior transfers to the behavioral pattern certification which is from another person (Surnia & Foxal 2005. 518). Successful marketers seek for identifying the relationship between their products and the groups' lifestyle. Sometimes, it is seen that some people do not have any cultural, sub-cultural, social status, job, and financial status difference, but they show different consumption behavior. In fact, humans' lifestyle is something more than personality or social status and is related to the individual's worldview (Alodari, 2009. 96). Also, marketing managers should consider one's job in his/her purchase behavior. For example, a professor spend a large portion of his/her income on buying books, computers, and so forth in spite of having little income, whereas a mechanic spend a little on buying educational tools despite of having a good income (Mohebbali & Farhangi, 2007. 124). Marketers should identify the job groups are more interested in his/her goods and services and supply specific products for those in specific jobs (Cutler, 2005, 174). Successful marketers should attend the social status which is the result of characteristics of an individual. For instance, the education level, job, the amount of properties, salary level, parents' social status, social and ethnic presuppositions affect the individual's social status (Alodari, 2009. 94). Family is the most important social system in purchase behavior (Mohebbali & Farhangi, 2007. 121). Individuals have attitudes towards anything. Accordingly, for the company the reasonable procedure is to supply its products according to the dominant attitudes in society and not to seek for changing buyer's attitude (Ardestani, 2008. 260).

#### **Customers' believability about the advertisements**

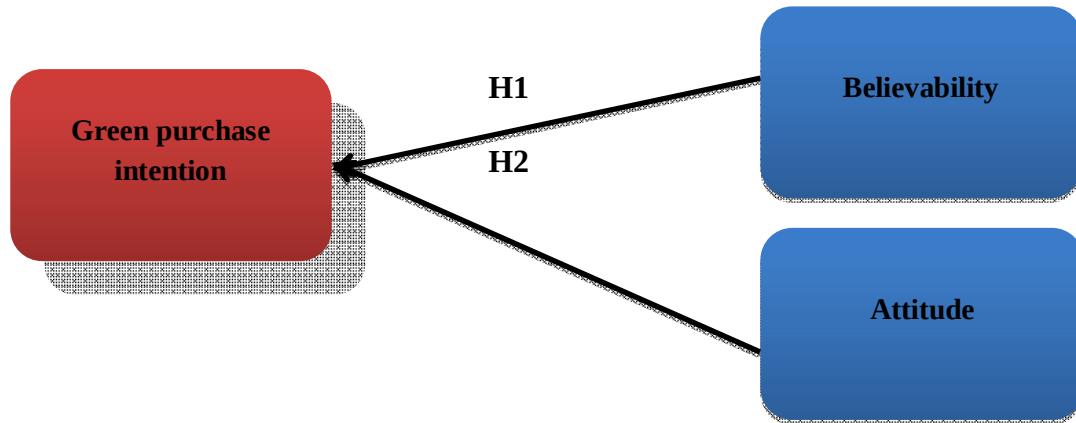
Former research shows that consumers are more inclined to buy the environmental friendly products, and this fact is originated from this issue that the environmental messages existed in advertisements are believable (Mutter & Mutter, 2000). This research evaluates this issue that consumers response to the messages related to the product itself more than the messages related to the motivation behind the purchase. To be able to inculcate an image of the green product in mind, a brand may increase the emotional obligation in the viewer and increase the customer loyalty as a result (Ginsberg et al, 2004).

#### **Attitudes towards advertisements**

Recent studies on attitudes towards the advertisements indicate the multidimensionality composition of them (Anders, 1989). While the consumers are discovering a various and increasing shower of advertisement messages among different media, it is surprising that advertisers do not have enough time in producing and presenting the advertisements.

Advertisements and relevant creativities depend on the audiences to be successful; however, it is crucial that advertisements are often considered as an unpleasant imposition and a lot of consumers see it as the permanent pressure of disturbance (Cummins, 1996). Thus, for advertisers paying more attention than usual to their type of claim in their advertisement or the risk of customers' skepticism is a pivotal issue. Former literature referring to the results show that different types of green advertisements stimulate different reactions among the customers and in this moment create positive self-defined potential reactions in advertisements (Ang et al, 2007).

Research conceptual model



### Research Methodology

Research methodology is a series of rules, instruments, valid and systematic strategies (reliable) to investigate the realities, discover the ambiguities and reaches the solutions (Khaki, 2010, 201). This research methodology is considered as type of descriptive-survey and according to the objective is an applied one. Also, the method of the data collection includes the library and document studies (through the note taking instruments from the data bases of the World Wide Web, books, and Persian or Latin papers), and field studies (through questionnaire). The research is conducted based on the questionnaire as the instrument and its hypotheses are tested. Accordingly, the statistical population includes the diploma and bachelor students of Business Management from Azad University of Khuzestan Province (Abadan Branch) in 2013-2014. The number of these students is equal to 1067. To calculate the sample content Morgan chart was applied. In this chart at the certainty level of 95% for a population with 1100 members the number of the sample is equal to 285. For more accuracy a number of 300 questionnaires were distributed and 290 of them were completed and after removing those ones not completed correctly 286 questionnaires were selected finally to investigate the research hypotheses. Also, the statistical sample was selected with simple random available sampling. In this research, a combination of simple correlation coefficient and linear regression methods has been used to investigate the hypotheses. The research variables' distribution has been investigated in a descriptive method. To this aim the indices of mean, mode, index, standard deviation, skewness, and elongation were calculated for all of the variables.

**Descriptive analysis of the research demographic variables**

Table 1: Descriptive analysis of demographic variables

| Variable                 | Class      | Frequency | Relative frequency |
|--------------------------|------------|-----------|--------------------|
| <b>Gender</b>            | Male       | 158       | 0.552              |
|                          | Female     | 128       | 0.448              |
| <b>Marital status</b>    | Married    | 126       | 0.441              |
|                          | Single     | 165       | 0.559              |
| <b>Educational level</b> | Diploma    | 92        | 0.332              |
|                          | Bachelor   | 194       | 0.678              |
| <b>Job</b>               | Employed   | 174       | 0.613              |
|                          | Unemployed | 110       | 0.385              |

**Hypotheses**

H1: customer's believability affects the green purchase intention.

H2: customer's attitude affects the green purchase intention.

**Hypotheses testing**

Table 2 summarizes the linear multi-regression between the believability and attitude variables as the predictor variables and the dependent variable of purchase intention. The amount of multiple correlations is  $R=0.517$  and the amount of corrected model determining coefficient is 0.254. That is, using the predictor variables between 25.4% the purchase intention variables changes are explainable. The Durbin-Watson statistics amount is  $DW=1.983$  which is close to 2 and it can be hypothesized that the model is not self-correlated.

Table 2: linear multi-regression

| Model    | R     | R <sup>2</sup> | R <sup>2</sup> adj | SE    | DW    |
|----------|-------|----------------|--------------------|-------|-------|
| <b>1</b> | 0.517 | 0.267          | 0.254              | 2.385 | 1.983 |

Table 3 shows the variance analysis to investigate the linearity relationship of the model. As it is seen, at the error level of 0.01  $H_0$  which implies the lack of linear relationship between predictor and dependent variables is rejected ( $F_{15, 280} = 20.39$ ,  $p < 0.01$ ). Accordingly, the linear multi-regression model can be applied.

Table 3: first model ANOVA

| Model             | Sum of squares | Freedom degree | Mean squares | F     | Sig   |
|-------------------|----------------|----------------|--------------|-------|-------|
| <b>Regression</b> | 580.095        | 5              | 116.019      | 0.392 | 0.000 |
| <b>Error</b>      | 1593.055       | 280            | 5.689        |       |       |
| <b>Total</b>      | 2173.150       | 285            |              |       |       |

Table 4 indicates the model predictor variables' coefficients. Regarding this table the intercept at the error level of 0.01 is significant and not equal to zero ( $t=4.392$ ,  $p < 0.01$ ). The customer's believability variable about the advertisement in this model has the significance coefficient ( $t=3.618$ ,  $p < 0.05$ ). Thus, its coefficient which is zero is not rejected at the error level of 0.05. Also, the attitude variables towards the advertisement has the

significant coefficient not equal to zero at the error level of 0.01 ( $t=5.869$ ,  $p<0.01$ ). So, it can be claimed that these two variables are necessary for the model.

Table 4: model's predictor variables

| Variable                            | $\beta$ | SE    | E     | Sig   | VIF   |
|-------------------------------------|---------|-------|-------|-------|-------|
| <b><math>\alpha</math> constant</b> | 0.82    | 0.386 | 2.115 | 0.035 | ---   |
| <b>Believability</b>                | 0.14    | 0.072 | 3.926 | 0.045 | 1.329 |
| <b>Attitude</b>                     | 0.34    | 0.072 | 4.647 | 0.000 | 1.715 |

In this way, the regression model can be written as following:

$$X = 0.82 + 0.14Y + 0.34Z$$

### Discussion and conclusion

Regarding the Pearson correlation tests results, it can be said that the customer's believability about the green advertisements is significantly related to the green purchase intention. According to the obtained results of regression analysis it is seen that when the believability and attitude variables relationship with the green purchase intention is simultaneously investigated, the believability variable does not have a significant relationship with the green purchase intention because of the relationships between two independent variables. Regarding to the standardized beta, it is concluded that the first hypothesis is not confirmed. Noticing the Pearson correlation test it can be claimed that customer's positive attitude towards the green advertisements is significantly related with green purchase intention and this relationship is positive. Also, with respect to the obtained results from regression analysis, it is seen that the customer's attitude towards the green advertisements is ranked as the first important one for the customer's green purchase intention and the standardized beta coefficient is equal to 0.373. That is, in case of a unit change in the customer's attitude towards the advertisements there will be 0.373 changes in green purchase intention. This statistical conclusion shows that the second hypothesis is confirmed and the reason is that the attitude towards the advertisements is the public interest or lack of interest towards an advertising motive encountering a specific advertisement. According to Ajzen model, attitudes affect the behavioral intention and intention, and then behavioral intention and intention affect the behavior. Thus, if the customers' have positive attitude towards the green advertisements they will react positively. Finally, this fact affects the customers' green purchase intention and increases the green purchase intention. Regarding the obtained results in this research the marketers will get a new view towards the Iran market and understand that the green products are being supported by a lot of people. This helps them to be able to choose the specific types of advertisements.

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