

# THE IMPACT OF GREEN MARKETING MIX ON CONSUMER PURCHASE INTENTION

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## ABSTRACT

*This study aims to measure the effect of a green marketing mix on consumer purchase intention. The study is conducted in the private education sector of Peshawar. The faculty members working in the private universities in Peshawar are selected as the target population for the study. 240 were randomly selected as a sample size. A closed-ended questionnaire is used for the data collection. Pearson Correlation and Regression models have been used for the data analysis. The findings reveal that green product, green place, green price and green promotion showed a significant and positive relationship with purchase intention. The regression results reported that green product, green place and green promotion showed a significant effect while green price stated an insignificant effect on purchase intention. The study suggests that companies should set a comprehensive platform before introducing a green product to the market. Additionally, the study recommends the most effective methods for creating awareness regarding green products among the consumers.*

**Keywords:** *Green Product, Green Price, Green Place, Green Promotion, and Purchase intention.*

## INTRODUCTION

In the current scenario, environmental damage and climate change have entirely changed the scope of businesses worldwide. This change in the operations of business has led to the acceptance of green marketing. Industrialization opened various opportunities for job creation, quality products, and continuous innovation, but it also gave birth to excessive pollution, exploitation of natural resources, and numerous social changes. With more significant environmental and social awareness, consumers' attitude changed, and they started looking for green consumer products. In Europe, US, and even in Pakistan, consumer lifestyle, preferences, and consumption patterns are changing, and there is a general acceptance of green products. Due to the increasing attention to green marketing and green products, the public is developing the concept of preserving and protecting the natural environment. The sharp increase in consumer awareness for green products will increase the demand for green products. Green marketing will further motivate the consumers in the market to buy green or environmentally friendly products.

The policymakers have made a high level of collective efforts to protect the environment and earth from the last few years. Due to the increased attention to the green concept and protection of the environment, the researchers are now working on this concept and try to take out a different solution concerning different factors around the world. The majority of the concern revolves around the concept of ecological matters and their adverse effects, global warming, deforestation, environmental pollution, wastage of natural resources, and depletion of the ozone layer even in developing countries. Developing countries like Pakistan are now making their efforts to restore forests, control pollution, etc. The project of “Billion Tree Tsunami” attracts the attention of international organizations and is appreciated by the biggest forums. The government's increasing attention in such types of problems will attract the attention of researchers to these problems, but still no hard work has been done in the emerging economies (Hayat et al., 2019).

With the increase of green marketing and green products, new researchers have caught the concept of sustainable development. Literature argued that sustainable development could be presented as “any growth which has been attained for the accomplishment of needs of present people without destroying the capability of next generation to satisfy their needs”. Therefore, it is the biggest challenge for the business community to achieve this objective and also protect

environment and nature. Companies have used different strategies in this regard to pursue sustainable ways of using, creating and living. Marketing has been considered one of the significant strategies that combine different activities for the attraction of consumer attention and other activities without affecting the climate. According to this statement, green marketing is the combination of different activities to provide services or sell products without damaging environment.

The literature review suggested that very little work has been done in the context of green marketing mix and its impact, while some of the studies have been conducted on the strategies of green marketing mix (Solvalier, 2010; Awan, 2012; Devi et al., 2012 and Hayat et al., 2019). Multiple studies have been conducted on the green product and consumer purchase (Gan et al., 2008; Paul and Rana, 2012) while some studies have explored the marketing mix on the purchase intention i.e. Ansar (2013) and Hayat et al., (2019) have been conducted on the green marketing mix and purchase intention. The present paper has explored the impact of green marketing mix on the consumer purchase intention among the faculty members in public sector Universities in Peshawar.

## **LITERATURE REVIEW**

### **Green Marketing Mix**

According to Hayat et al., (2019) green marketing mix is consists of green product, price, place and promotion. The same features can be seen in the traditional marketing mix but the basic difference is that the traditional marketing mix is primarily related to the profit while the green marketing mix is related to the activities which can helpful for the protection of environment. The combination of 4Ps for the green marketing mix i.e Green Product, Product Price, Green Place and Green Promotion (Awan and Wamiq, 2016). The theme of green marketing is based on the identification of consumer needs and the conjunction of protection of environment is the basic difference between these types of marketing. The preference of green marketing mix is the fulfillment of consumer needs by protecting the environment (Tan and Lau, 2014).

## **Green Product**

The literature suggested that the green marketing mix and its effect is the concept which is examined on minimum scale, but the majority of the green marketing studies have been focused on green marketing strategies (Mainieri et al., 1997). The studies argued that the green product can be defined as the qualified and certified, toxi-free material used with adopting eco-friendly practices to satisfy the consumer needs (Kumar and Ghodeswar, 2015). The studies argued that the green product can play a significant role in the consumer purchase intention (Fan & Zeng, 2011).

*H<sub>1</sub>: Green product has significant effect on green purchase intention*

## **Green Pricing**

Keeping the importance of environmental policies, the firms always adopted such legislation which can be significant in the allocation of price most suitable for the consumers. Hashem and Al-Rifai (2011) argued that the green price is the most significant factor which can divert the consumer attention to buy green product. In the developing countries, the green price is having special attention, as the concept involve the price of the product for the profit for the country along with the responsibility and welfare of the people.

*H<sub>2</sub>: Green price has significant effect on green purchase intention*

## **Place**

The place is the location of the product which can be used for the distribution of environment friendly products. The importance of place in the green marketing mix is the distribution gate for the green product along with the product delivery and also the procedure of recycling of product (Hashem and Al Rifai, 2011 and Hayat et al., 2019). The place is the most delicate process in the green transmission. This has been argued that the place is the most significant factor which can be used to make the green available for the consumer to buy. This shows that the green place is having significant effect on the consumer buying perception (Yazdanifard and Mercy, 2011).

*H<sub>3</sub>: Green place has significant effect on green purchase intention*

## Green Promotion

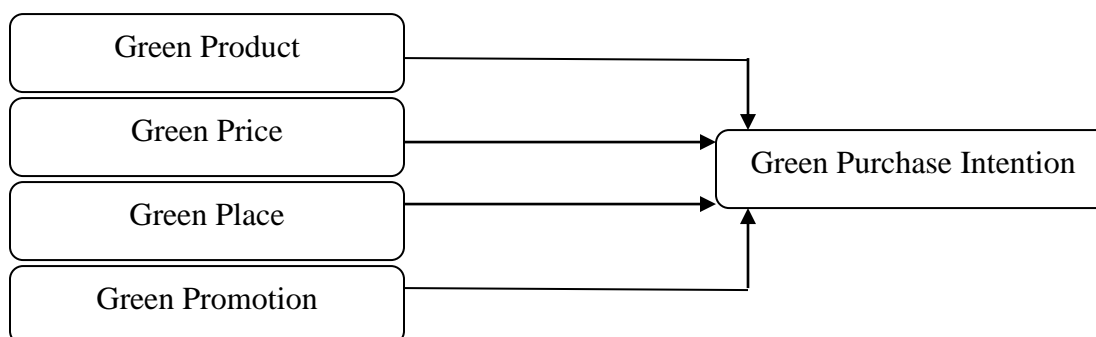
The promotion of green product is very important as it is the only source of creating awareness in the consumers. The advertising message to the consumers regarding the green product can play a significant role in the purchase intention. The basic theme of the green promotion for the green product is to convey the specification of the product along with the green features having by the product to ensure the protection of nature and environment (Fan and Zeng, 2011). According to Khwaja (2012) who stated that green promotion is the most significant way to communicate the eco-friendly, green features of the product and ensure the preservation of the nature.

*H<sub>4</sub>: Green promotion has significant effect on green purchase intention*

## Purchase Intention

After examining the important 4Ps of green marketing mix, the important aspect is the purchase of the product. The significance of these components can only be judge by the purchasing of the product. The studies conducted in Europe i.e. Maheswari et al., (2009) argued that 87 percent of the consumers are interested in getting only product. This means that the awareness level in the consumers is on the peak that they are interested in getting green product. This shows that eh green marketing mix is having significant effect on the consumer purchase intention. The purchase intention is the groups of individual process, in which the consumer search, select and finally purchase the green product (Hayat et al., 2019 and Mida, 2009).

## Theoretical Framework



**Fig 1:** Theoretical Framework of Green marketing mix and purchase intention

## Hypotheses

*H<sub>1</sub>: Green product has significant effect on green purchase intention*

*H<sub>2</sub>: Green price has significant effect on green purchase intention*

*H<sub>3</sub>: Green place has significant effect on green purchase intention*

*H<sub>4</sub>: Green promotion has significant effect on green purchase intention*

## METHODS

The present paper has included the faculty members from the private sector universities working Peshawar. On the basis of sampling calculated stated by Krejice and Morgan (1970), the paper has included 240 sample respondents for the data collection. The data has been collected by closed ended questionnaire based on five point Likert scale.

Table 1: *Measurement of Variables*

<b>Variables</b>	<b>No of Items</b>	<b>Adopted from</b>
Purchase Intention	8	Hayat et al., 2019
Green Product	6	Fan & Zeng, 2011
Green Price	5	Hashem and Al-Rifai (2011)
Green Place	5	Yazdanifard and Mercy, (2011)
Green Promotion	7	Khwaja (2012)

The paper has explored the data by using Pearson Correlation and Multiple Regression model. The details of population and sample are:

Table 2: *Details of population & sample*

<b>University</b>	<b>Total Faculty</b>	<b>Sample</b>
Abasyn University	175	27
Qurtuba University	291	45
Sarhad University	224	34
Fast University	267	41
City University	228	35
Cecos University	171	26
Iqra National	204	31
<b>Total</b>	<b>1560</b>	<b>240</b>

## DATA ANALYSIS & RESULTS

### Reliability

Table 2: *Results of Reliability Statistics*

Variables	Cronbach Alpha	No of Items
Purchase Intention	0.792	8
Green Product	0.891	6
Green Price	0.923	5
Green Place	0.941	5
Green Promotion	0.863	7

The reliability statistics has been used to check the consistency of the instrument used for the data collection. The reliability has been considered as the overall uniformity of the findings collected by instrument (Hayat et al., 2019). Multiple tests have been recommended by the literature, the present study has used reliability statistics with the alpha function. The value of cronbach alpha is the above the standard i.e. 70. The literature suggested that 70 percent alpha value means that the variable is 70 percent reliable and the findings can be considered as consistent and reliable. The values of the variables have been found more than the standard which confirms that the variables used in the questionnaire have been found reliable.

### Correlation

Table 3: *Correlational analysis*

	1	2	3	4	5
1. Purchase Intention	1				
2. Green Product	0.267*	1			
3. Green Price	0.431**	0.138	1		
4. Green Place	0.512**	0.510**	0.141	1	
5. Green Promotion	0.557**	0.621**	0.233*	0.421**	1

\* Correlation is significant at the 0.05 level (2-tailed).

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

The table has included the findings of correlation test which has been used for the measurement of relation between the selected variables. The values suggested that the green

promotion and green place showed the highest relation with the purchase intention. The relationship between green promotion and green place is positive and significant. While the relationship between green product and purchase intention was found less than the promotion and place.

## Regression

Table 4: *Results of regression analysis*

<b>Purchase Intention</b>	<b>Beta</b>	<b>Stand Error</b>	<b>t-value</b>	<b>P-value</b>
Constant	0.255	.313	.814	.251
Green Product	0.501	.049	10.22	.000
Green Price	0.113	.071	1.59	.910
Green Place	0.353	.060	5.88	.000
Green Promotion	0.555	.146	3.80	.000

R-square: 0.515, F-value: 62.31, P-value: .00

The table showed the findings of regression model which was included to check the impact of green marketing mix on the consumer purchase intention. The statistics argued that green product, green price, green place and green promotion have combine effect of 51 percent while the model has been found statistically significant as the f-value is more than 4 i.e. 62.31. The results suggested that green product, green place and green promotion have positive and significant effect on the purchase intention while green price showed insignificant effect on purchase intention.

## CONCLUSION

The Green Marketing Mix concept has wide commercial implications. The regression and correlation models were used for the green marketing mix and purchase intention to highlight the significant implications of green products. The findings reveal that green product showed significant effect on the purchase intention. The findings are consistent with the studies of Hayat et al., (2019), Ali and Ahmad (2012) and Kim and Han, (2010) which recommended that the information regarding the green features of the products' environmental concern can enhance the purchase intention of the consumers. The results also support that before launching the green product to the market, the companies should set a comprehensive platform for the creation of



awareness among the consumers. Green price showed positive relationship with the purchase intention which exhibits the consistency with the findings of Ali and Ahmad (2012) and Ahmad and Juhudi (2010). The important aspect in the green price is that the companies should identify the most suitable price level of the green product that can be significant for the firm and fulfill the needs of the environment. The green promotion showed a positive and significant relationship with the purchase intention supported by studies conducted by Hayat et al., (2019) and Khwaja (2012). Green promotion is the most significant factor which can help create awareness among the consumers and attract the intention of consumers to buy the product. Future studies can focus on adopting a qualitative approach to examine respondents' views regarding the green marketing mix and purchasing intention. By widening the scope, future studies can include some specific green products and measure consumers' intention.

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