

## Impact of Environmental Concern, Advertisement and Word Of Mouth on Green Purchase Behavior: An Analysis from Pakistan

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### Abstract:

*Environmental concern, Advertisement and Word of mouth are the important predictor of green purchasing behavior. This study is done to examine the impact of environmental concern, advertisement and word of mouth with green purchase behavior. Green marketing practices are lack in Pakistani market as compare to other countries. There was need to identify the reason of this problem. Findings of our study revealed that environmental concern, advertisement and word of mouth significantly impact on green purchase behavior. Further those different steps should be taken in order to increase the positive word of mouth as this variable can impact more on green purchase behavior as compared to other variables.*

**Key words:** *environmental concern, advertisement, word of mouth and green purchase behavior.*

### INTRODUCTION

Now a day consumer become more concern with the green issues and to become greening is their motivation that continuously their life style. The global community observed one of the green awareness event of switching-off light for one specific hour as an energy saving campaign recognized as Earth hour in order to decrease environmental impact on earth. The purpose is to save environment from different types of harmful effect which causes due to use of electricity. According to Shrum et al. (1995) green consumer are those whose purchasing behavior is influenced by environmental concern. Green marketing consist of all those activities formulate and facilitate consumer having minimal damage on environmental impact on earth to satisfy human need or wants (Polonsky, 1994). It is not just the motivation for people but most of the organization follow the green management and green marketing in order to give minimal damage to the environment.

There are numerous types of media which consist of radio, prints media and television and internet are working for get attention from consumers. Now a day we can see and hear large number of attractive and creative advertisement activity such as online activity in television, radio and internet etc. and offline activity in newspaper, magazine , billboards, hoardings etc. Among these different media, television advertisement consider as more attractive and it is watched by mass audience. So we can say the television is consider as one of the ideal medium for advertising in which “attentive” time can be spend by the audience. However it is the role of marketer to make the advertisement so creative to get attention from the consumer and get desired response from the consumer (Vivekanathan, 2010). It is needed that Green advertising are so much informative and creative so that customer will be influence for the purchasing of green product.

Word of mouth (WOM) is considered as an informal advice pass among consumers and it is commonly interactive, instant and free from commercial bias. Mostly WOM generates from friend and family and people consider these WOM as a value able for their decision making while purchasing of product, brand or services. Study suggested by Keaveney (1995) that 50 % of the services replacement was found due to this WOM. WOM may be positive or negative, in positive word of mouth (PWOM) encourage or influence brand choice and in negative word of mouth (NWOM) discouraging brand choice. PWOM for green purchase behavior play important role for consumer for making green purchase decision.

### LITERATURE REVIEW

#### ENVIRONMENTAL CONCERN:

Jain and Kaur (2004) suggest that Environmental concern is one of the Key variable which play significant role for consumer's decision making practice. Everything in our surrounding is environment. Now a day media highlighted the issue related to the depletion of ozone layer and increased environmental pollution by the industry which increased the awareness related to the environmental issue as a result of which customers have become more concern about their daily routine and their impact on our environment (Yazdanifard and Mercy, 2011). The environmental concerns among consumers are due to attention taken to the biophysical environment and their problem arises towards consumers and their surroundings. It is to be observed from previous study that females were more worried towards the environment as compare to males (Suki, 2013). Schultz (2000) explained the following three factors upon which Environmental concern depends: Altruistic (concern for others), egoistic (concern for self) and bio-spherical. These three factors depends upon the individual concern related toward the environment that how much he concern toward the surrounding environment. The green marketing research conducted among the collaboration of Centre of sustainability and Athens Laboratory of Research revealed more than 92% of customers have a positive attitude about the businesses which are concern about environmental issues (Papadopoulos et al., 2009). According to various researchers (Kalafatis et al., 1999; Laroche et al., 2001; Manakotla & Jauhari, 2007) the increase in the environmental concern lead towards the increase in the behavioral pattern towards the purchasing of environment friendly products

**H1:** The impact of environmental concern significantly influence on green purchase behavior.

## **ADVERTISEMENT**

Vivekananthan (2010) stated that “Advertising is a subset of promotion mix which is one of the Four 'P's in the marketing mix i.e. product, price, place and promotion.” As a part of promotional strategy advertisement is one of the important tool in creating awareness about the product in the mind of customer so that they can take decision regarding to the purchase of product. Advertisements give valuable information and tends to provide the attributes of the product that will create positive attitude towards the purchasing of brand. Attractive advertisement are create in order to get attention, disseminate information and awareness to the people from advertisement (Arens, 1996). As we know that marketer working on making ad which create awareness about green products and green marketing ad are more creative and ecological so that it take attention of the consumer and the information disseminate through advertisement make the mind of the consumer about green purchase behavior. Now a day advertisement also play an important role for the organization, they use advertising as a helping tool to get them survive from the economic trends. Further that expert's point of view is that the advertisement play an important role on consumer buying behavior pattern and in a long run the advertisement will take the business towards the competition (Vivekananthan, 2010). Thus the advertisement for green marketing and green purchase behavior play significant role for the purchasing of green product. There are three basic functions of an advertisement: first one is to inform about the particular brand or product, second is that an advertisement is so much creative and attractive that it will remind for last long time and the third function is to persuade the audience to purchase the particular brand (Peattie, 1999; Carlson, Grove and Kangun, 1993). The purpose of green advertisement is to create awareness and develop strong attitude towards the particular brand and companies. The emerging challenges about green marketing bring changes in the behavioral pattern of consumers buying and thus it become debatable topic in academics. The trend of last decade shows that arrival of green brand in the market are due to the demand of the consumers and thus the role of green marketing is emerging with the passage of time (Dande, 2011).

**H2:** The impact of advertisement significantly influence on green purchase behavior.

## **WORD OF MOUTH**

The term Word of mouth (WOM) marketing can be defined as the process in which exchange of information can be taken from one person to another via human communication like telephonic conversation, through social media or face to face contact etc. Whyte (1954) coined the term word of mouth (WOM) and defined as “People

who talk about products and services together also show alike purchase behavior and have similar product preferences”. A verbal message among the sender and the receiver and receiver of the message observe it as a non-commercial about the particular product, services and brand (Arndt 1967). According to Sernovitz (2012) marketer use most of their marketing budget on advertisement campaigns but most of the time it is to observe that consumer take buying behavior pattern on the bases of word of mouth (WOM) from their reliable source. These word of mouth play important role in their decision process and work as an influencer while purchasing of product or brand. There are various sources of WOM for consumer for example various personal sources like from friends and family, various commercial sources like newspaper, television and radio for getting useful information about brand. The impact of these sources varies from product to product and services which customer can perceive. Research findings shows that customer take these two source of information i.e. personal and commercial sources as important tool for purchasing of product or brand and now it is challenging for marketer to identify which source of information is important and influential for consumer. According Bansal and Voyer (2000) comparing with an advertisement an informal communication play important role and customer trust on it while making purchasing decision. According to different researcher (Litvin et al., 2008; Trusov, Bucklin, and Pauwels, 2009) In talking to the service industry to evaluate a service brand customer can rely more on WOM messages, either that is positive or negative. Hence positive WOM for the purchase of green product can influence more and more people for the purchasing of green product. WOM is now consider as one of the leading force for decision making in market (Zamil, 2011) mostly in the context of health care in which services can be complicated and difficult to evaluate in this regard a WOM from trust worthy and experienced source helpful to reduce different types of risk of making decision of health care services. Similarly in the context of green marketing WOM play an important role for green purchase decision because it is related to the our surrounding environment and a positive WOM play significant role for the purchasing of green product.

**H3:** The impact of Word of Mouth significantly influence on green purchase behavior.

### **GREEN PURCHASE BEHAVIOR**

Consumer behavior was a comparatively new field in the mid-to-late 1960s. It begins from other disciplines like Behavioral Sciences, Economics and Marketing (Engel, Blackwell and Miniard, 1995). Decision making is the cognitive process of selecting one out different alternatives. Generally it comprise of shopping and deciding what to purchase or eat. Similarly according to Shrum et al., (1995) green consumers are that whose purchasing behavior is influenced by environmental concerns. Social scientists divide the different decades by different names like 1960s was consider the age of “green awakening”, the decade of 1970s was the age of “taking action” , the era of 1980s was “accountable time” and 1990s was “power in the marketplace” period. At that time, publics starts demanding eco-friendly services and goods, and different public and political pressure faced by the organization to green (Makower, 1993). Concern of consumers regarding environmental issues bring changes in the lifestyle of the consumers towards more responsible about environment and it is become worldwide subject to be discussed. Last few decades awareness about environmental issue has been growing among customers because they understood the importance of environment and its protection (Kalafatis et al., 1999; Chan & Lam, 2002). Various studies have been reported regarding green marketing and Consumer behavior. Elkington (1997) evaluated the organizational performance of different firms of the world concerning economic, environmental and social justice. According to different researchers (Kalafatis et al., 1999; Laroche et al., 2001; Roberts, 1996) Customers are ever more wish to buy green products & services, preferring those business practices which follow ecological practice. According to Dagher and Itani (2012, 2014) Consumers are now trying to maintain the environment safe by following green purchasing behavior. Decision-making procedures can be discovered by emerging new interactive models (Rickwood and White, 2009). A purchasing decision technique (or cost-benefit analysis) describes the technique a customer goes through when purchasing a product. This purchasing decision model has gone through lots of interpretation by scholars.

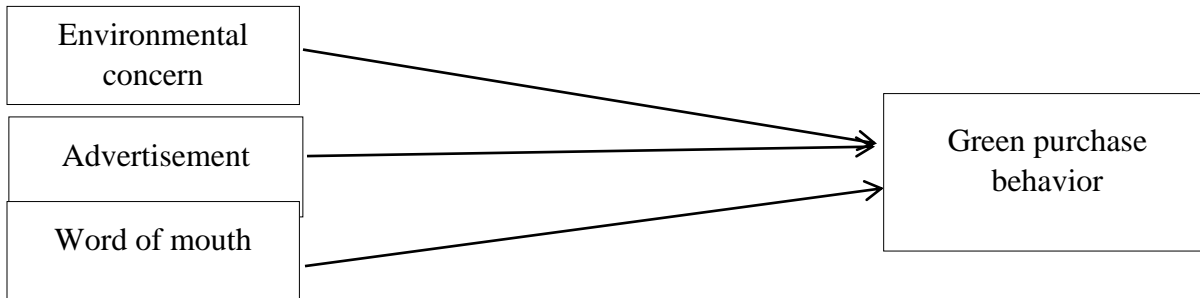


Figure 1: The proposed research model

## METHODOLOGY

### A. Sample and procedure

A structured questionnaire was developed with the help of previous literature review was developed for survey. Convenient sampling technique was used to assess the opinions of individuals of Rawalpindi Islamabad. Current investigation used three independent variable and one dependent variable connected with a relationship. This research was conducted on primary data. 300 questionnaires were distributed and out of them 280 responses received in completed form. There were 60.45% male and 39.55% female respondents and most of the respondent’s age between 25 and 40. 34% of our respondents are students, 18% are housewife and 47% of our respondents are professionals. SPSS 20 was used to verify the reliability, co-relation and regression of collected data.

### B. Measure

The scale of environmental concern contain three items and green purchase behavior contain three items both was adopted from Suki (2013). The scale for word of mouth contain four items and was adopted from Khalid, Ahmed and Ahmad (2013). The scale for the advertisement variable contain five items adapted from Haytko and Matulich (2008).

## RESULTS

In this covers the efforts made in order to represent the findings clearly which consists on accurate presentation of the findings in the subsequent tables. At first, the respondent’s profile has been considered for analysis. The profile contained the data and information associated with the respondents participated in the present study. After the analysis of respondent’s profile quantitative analysis of the data collected from these respondents has been undertaken. SPSS version 20 has been used to measure the reliability and further analysis of the data in terms of measuring correlation and regression. The results of the variables of the current study and the level of significance and agreeableness and the relationship among variables of the construct has been investigated and has been mentioned in descriptive statistics.

### Descriptive stats and composite reliability

Table 1

Sr. #	Variables	Items	Mean	Std. Deviation	Cronbach’s Alpha
1	Environmental concern	3	3.92	0.83	0.82
2	Advertisement	5	3.78	0.78	0.866
3	Word of mouth	4	3.75	0.79	0.76
4	Green purchase behavior	3	3.72	0.76	0.83
	Total	15			0.81

The internal consistency and stability of items can be find out through reliability analysis technique. To measure a construct Cronbach’s alpha was calculated. According to Nunnally (1978) and Sekaran (2000) the value of Cronbach alpha is above 0.70 is good and between 0.6-0.70 is acceptable and less than 0.60 is poor. Results from the table shows that mean, standard deviation and Cronbach alpha of the items and shows that our Cronbach alpha value of all construct is above 0.70 hence acceptable.

**Correlation matrix**

Correlation matrix is used to find out the relationship among the variables. Thus in this way we begin to analyze the relationship among Environmental concern, Advertisement, Word of mouth and Green purchase behavior by considering pair wise correlation coefficients. The results are summarized in the table below.

**Table 2**

<b>Variables</b>	<b>Environmental concern</b>	<b>Advertisement</b>	<b>Word of mouth</b>	<b>of Green purchase behavior</b>
<b>Environmental concern</b>	1			
<b>Advertisement</b>	.437**	1		
<b>Word of mouth</b>	.271**	.485**	1	
<b>Green purchase behavior</b>	.444**	.578**	.557**	1

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

Table depicts the results of correlation coefficients for the variables of the present study. The observed value of association between Advertisement and Environmental concern is 0.437 which is significant at 95 percent level of significance. The correlation coefficient of Word of mouth and Environmental concern is 0.271. The correlation coefficient of Green purchase behavior and Environmental concern is 0.444. The correlation coefficient of Green purchase behavior and Advertisement is 0.578. The correlation coefficient of Green purchase behavior and Word of mouth is 0.557 and for Advertisement and Word of mouth the value of significant correlation coefficient is 0.485 observed. Hence all variables of the present study have significant association between them.

**Regression analysis**

**Table 3**

	<b>B</b>	<b>SE B</b>	<b>β</b>	<b>T</b>
Constant	-15.80	0.21	---	-12.63
Environmental concern	0.14	0.21	0.29	6.88
Advertisement	0.05	0.92	0.89	9.67
Word of Mouth	0.21	0.09	1.29	19.9

R<sup>2</sup> = 0.698, Δ R<sup>2</sup> = 0.698, Adjusted R<sup>2</sup>=0.698  
 F-Value = 298.228, p<0.001



According to Shiu et al., (2009) multi regression analysis technique is used to find out the impact of each predictor on dependent variable of the model. So we use this technique to find out the influence of independent variable on dependent variable. Value of  $R^2$  for regression model is 0.698 which shows the fitness of model. This depicts that our independent variable i.e. environmental concern, advertisement and word of Mouth significantly effects on dependent variable i.e. green purchase behavior. The value of  $R^2$  in the model is the same as the value of adjusted  $R^2$  i.e. 0.698 which shows that there will be almost 0% of variation in model among population and sample which is under consideration in our research. This also suggest the generalizability our model of research. The  $F$ -value of model is 298.228 which shows high significant and  $p < 0.001$  depicts that our predictor in the model significantly impact on the outcome variable of our model. Further that the effects of environmental concern, advertisement and word of Mouth also shown in the table which indicates that hypothesis of our research are accepted i.e. H1 ( $\beta=0.29$ ), H2 ( $\beta=0.89$ ) and H3 ( $\beta=1.29$ .) at  $p < 0.001$ . Though, the value of standardize beta ( $\beta$ ) of word of mouth is greater as compare to other two independent variable that shows word of mouth more significantly effects and is the important variable in our model. The indication of B-value in the table shows that relationship among all predictor and outcome variable is positive. It also shows that the effects of word of mouth on green purchase behavior is high as compared to other independent variable i.e.  $B= 0.25$ . Similarly t-value of word of mouth is also high i.e. ( $t=25.70$ ,  $p < 0.05$ ) as compare to the other predictor in the model which shows that they are significant predictor of green purchase behavior. Further that it also shows that word of mouth is playing a significant role in the model followed by the advertisement.

## **CONCLUSION**

Results of our findings indicate that all the hypothesis are accepted and it explore a new path to increase the green purchase behavior of the customers. This indicate that environmental concern, advertisement and word of mouth can play important role for the green purchasing behavior. Now a day it is the age of globalization business world encounter with different problems and competition between the organizations is increased. Thus in this age of competition only those organizations survive who use green marketing technique in order to get minimal damage to the environment so that customer will intent to purchase the green product from the market. Companies are needed to focus on environmental concern, advertisement and word of mouth in order to increase green purchasing behavior. Government also need to encourage those organization who adopt green marketing practices. All of these variables are come under the umbrella of marketing.

## **MANAGERIAL IMPLICATION AND FUTURE RESEARCH**

The implication of this study can be in both product and service industry, these predictive variable can play significant role for the green purchasing behavior. Customers now a day more concern about surrounding environment so he can encourage the green purchasing behavior while decision making. An organization can win the competition with their competitor in the market by following the effective marketing campaign. By using environmental concern, advertisement and positive word of mouth a perfect environment can be develop to increase green purchase behavior. As the predictor word of mouth have maximum impact as shown in our findings as compare to other predictors so an individual green consumer, companies and government needed to spread positive word of mouth about green marking so the green purchase behavior is developed among customers.

For the future study a demographic variable can be used as a moderator along with these variables. Further that additional variable like brand image can be used to check the impact along with these variables.

## **LIMITATION**

There are some limitation of this study which should be considered for future research. First of all the collection of data can be done through questionnaire and there was probability of filling questionnaire without proper reading. The second limitation of this study is that only three dimension i.e. environmental concern,

advertisement and word of mouth checked on green purchase behavior pattern which limits the focus of research. Third limitation of our study is sample size is small and target population is specific geographic region i.e. Rawalpindi Islamabad. To get better results sample size can be increased and geographic area can also be taken from other provinces along with other dimensions of variables.

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