

CHAPTER II

LITERATURE REVIEW

2.1 Introduction

Western studies have evidenced that consumers in the USA and Western Europe are growing more environmentally conscious in the past decade (e.g. Carlo, 1999). Recently, green consumerism has started to gradually emerge in the Asian regions (Gurau and Ranchhod, 2005). Asian consumers have recently become one of the primary targets for international green marketers for following reasons: Consumers in Asian societies are increasingly becoming conscious to the alarming environmental problems (Harris, 2006); and The fast-growing economy in Asia has led to a vigorous rise of financially-empowered consumers across Asia who are willing to spend more than previous generations (Li and Su, 2007).

2.2 Green Marketing

Green marketing also well known as environmental marketing, sustainable marketing and ecological marketing. All of those terms are essentially have the same practice. Green marketing encompasses much more than just a marketing hype, although there are not any single 'right' definitions about this term. Any definitions must include the fact that there is a voluntary exchange between company and the customer that achieve each side's objectives while minimizing the negative impact to the environment as much as possible when achieving this objectives, and also making sure that every activity is sustainable. Green marketing is not limited to particular types of organizations; it can be exhibited on

consumer markets, B2B (Business to Business) markets, suppliers, retailers, and even governmental bodies (Charter et al., 2001).

Businessdictionary.com (accessed 2010) describes green marketing as promotional activities aimed at taking advantage of the changing consumer attitudes toward a brand. These changes are increasingly being influenced by firms policies and practices that affect the quality of the environment, and reflect the level of its concern for the community.

Another definition described by marketingeye.com (accessed 2014), Green or environment marketing consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment.

Green marketing refers to integrating business practices and products that are friendly to the environment while also meeting the needs of the consumers. (Pearson Education, accessed 2014)

2.3 Green Purchasing Behavior

Many other literatures about environmental behavior mostly speaking about environmental behavior in general, a few have been addressed specifically about green purchasing behavior (Lee, 2009). Green purchasing behavior can be translated to the act of consuming products that are conservable, beneficial for the environment, and responding to environmental concern (Lee, 2009). Responding to environmental concern, one of the ways related to waste management system is by doing the 3R (Reduce, Reuse, and Recycle). Now days, social influence has

been found as the most important factor that affect green purchasing behavior of adolescent, however there are several more factors which are: Environmental attitude, Environmental concern, Perceived responsibility, Perceived effectiveness of environmental behavior, and concern of self-image in environmental protection (Lee, 2008).

2.4 Social Influence

An important determinant of an individual's behavior is the influence of others. This belief can be proof with the use of well-known spokespersons endorsing products and portrayal of products being consumed in social situation (Bearden et al 1989). This clarify a major part of consumer susceptibility of interpersonal influence, which advocates a bilateral-directional interaction and can also occur between the environmental and personal characteristics (Bandura, 1997; 1986; 1989)

Cheah and Phau (2005) stated that social influences and physical structures within the environment will develop and modify human expectation, beliefs, and cognitive competencies. Thus, it can be assumed that attitudes toward buying decisions are strongly influenced by their social environments, which include family, friends, and peer networks. Moreover, interpersonal processes and relationships between opinion leaders and professionals have a significant impact on attitude towards buying decisions.

According Ryan (2001), as cited by Dahlia 2011, the social dynamic in which individual associated with other people by presenting similar qualities is identified as homophile. It also can be known as situations that a person shares the

same thoughts, beliefs and values as the person that he/she are communicating with.

The research which has been done by Lee(2008) found out that the most important factor for Hong Kong's adolescent's green purchasing behavior is peer influence. Therefore the hypothesis was developed:

H₁ : Social influences have a positive influence with green purchasing behavior.

2.5 Environmental Attitude

According to Kotchen & Railing (2008), a positive relationship between environmental attitude and environmental behavior has been discovered in some studies. Lee (2008) defined Environmental attitude as individuals' value judgment and it taps the individuals' cognitive assessment of the value of environmental protection. Mostafa (2007) found that Egyptian consumer's attitude towards green purchasing can influence their green purchasing intention and affecting their green purchasing behavior in a direct manner. Research by Dahlia (2011) found that Environmental attitude gave less influence to university students in Jakarta related to purchasing behavior. Therefore:

H₂ : Environmental attitude has a positive influence with green purchasing behavior.

2.6 Environmental Concern

According to Yeung (2005) as cited by Lee (2009) environmental concern refers to an affective attribute that can represent a person's worries, compassion,

likes and dislikes about the environment. One of the most essential factors for marketers as they can easily target environmentally conscious consumers is environmental concern (Mostafa, 2007). Early studies in the environmental concern, mainly examined the predictability of demographic variables to environmental concern. Age, education attainment, political ideology, ethnicity, gender, and value orientation have been found to have robust, consistent effects on environmental concern over time across different surveys and samples (Xiao and McCright, 2007). Consumers who were more concerned about the environment expressed more willingness to pay more for renewable energy than those who were less concerned about the environment (Bang et al., 2000). The study done by Dahlia (2011) found out that Environmental concern has high influence to university students in Jakarta to have green purchasing behavior.

H₃ : Environmental concern has a positive influence with green purchasing behavior.

2.7 Perceived Seriousness of Environmental Problems

Past studies on perceived seriousness of environmental problems mainly focused on findings out subjects' perception of the most serious problems, how serious they thought the problems were, and how subjects from different cultures perceived the issue differently (Dunlap, 1994). In general, sewage treatment, water quality, and air quality are most likely to be viewed as very serious local community problems. Residents in Asian countries rate these problems as more serious than do those who live in Western nations. Overall, Asian residents tend to perceive their local environments much more negatively than their Western and

European counterparts do (Dunlap, 1994). The study done by Lee (2008) found out that teenagers in Hong Kong perceived the seriousness of environmental problems as the least important factor in influencing the green purchasing behavior. The reason behind this was known due to repetitive exposures, which makes them reach negatively. Lee (2009) found that Asian people rate environmental problems as more severe than those who live in western countries. Study done by Dahlia (2011) found out that perceived seriousness of environmental problems has high influence to university students in Jakarta towards green purchasing behavior.

H₄ : Perceived seriousness of environmental problems have a positive influence with green purchasing behavior.

2.8 Perceived Environmental Responsibility

Study done by Lai (2000) found out that Citizens of Hong Kong have a high awareness of environmental problems, because they have attained more environmental knowledge, but their perceived environmental responsibility is weak. According to Lee (2008), among adolescent of Hong Kong, perceived responsibility is one of the important factors that affect their green purchasing behavior. Dahlia (2011) found that perceived environmental responsibility has high influence to university students in Jakarta in green purchasing behavior.

H₅ : Perceived environmental responsibility have a positive influence with green purchasing behavior.

2.9 Concern of Self-Image in Environmental Protection

Goldsmith, Moore & Beaudoin (1999) defined self image as the perception individuals have of what they are like. Self image concept or self image is an important determinant of individual behavior as it is concerned with how we see ourselves and how we think other people see us. Individuals tend to create a personal image that is acceptable to their reference group. This inner picture of the self is communicated to the outside world by behavior, for instance, purchasing behavior. Self image is influenced by social interaction and people make purchases that are consistent with their self-concept in order to protect and enhance it (Lancaster & Reynolds, 2005).

Some findings stated that self-image dimension can be useful in studying motivations to become pro-environmental. Mannetti (2004) found that an individual's personal identity of being an environmentally responsible person contributes significantly to the explanation of intentions to recycle. The other finding done by Stets and Biga (2003) found that revealed that identity factor is important in influencing environmentally responsive behavior.

The activities that are most significant to identify development are those that provide a sense of special meaning, importance or self-actualization to the individuals. In this regards, environmental behaviors could be considered as potentially self-defining activities because they often carry the symbolic meanings of morality, unselfishness, other-or nature-orientation and eco-aspiration. (Coatsworth et al, 2005). Other study done by Lee(2008) stated that self-image in environmental protection was the third predictor of green purchasing behavior among adolescent in Hongkong. Further study by Dahlia (2011-2012) found that

concern of self-image in Environmental protection had less influence for university students in Jakarta regarding Green purchasing behavior.

H₆ : Concern of self-image in environmental protection has positive influence with green purchasing behavior.

2.10 Hypothesis Development

According to the literature reviews above, the author decide to have six hypotheses, they are:

H₁ : Social influences have a positive influence with green purchasing behavior.

H₂ : Environmental attitude has a positive influence with green purchasing behavior.

H₃ : Environmental concern has a positive influence with green purchasing behavior.

H₄ : Perceived seriousness of environmental problem has a positive influence with green purchasing behavior.

H₅ : Perceived environmental responsibility has a positive influence with green purchasing behavior.

H₆ : Concern of self-image in environmental protection has positive influence with green purchasing behavior.