INDIAN INSTITUTE OF MANAGEMENT KOZHIKODE

04th International Conference on Marketing, Technology & Society 2020



# The role of consumer typology on the consumers' green involvement and its effect on green purchase behaviour

Dr. Deepti Jog<sup>1</sup> Dr. Apeksha Champaneri<sup>2</sup>

# Abstract

This paper attempts to investigate how green, pseudo-green and non-green consumers differ in their rational and emotional determinants of desire for green consumer behaviour, and derive distinct advertising implications for each group through a theoretical underpinning. We distinguish consumers into three categories (green, pseudo-green and non-green) and test them as a moderating variable. The research is two-fold. At the first level, in an attempt to identify the pseudo-green consumer scale. The scale items will be identified basis rigorous literature review and interviews conducted among consumers. The study is the theoretical insight to explain the outcomes of the interviews conducted for identifying the pseudo-green consumer criteria in detail.

Keywords: Green consumers, pseudo-green consumers, green purchase behaviour, consumer typology, green involvement

# Introduction:

Consumers are a key driver when it comes to sustainable production as they are seen to opt for products differently according to their understanding on the impact of their consumption choice on ecology and the environment (Bonini & Oppenheim, 2008). Green consumers are the ones who engage in a set of proenvironmental behaviours for environmental reasons (Barbarossa & Pelsmacker, 2014). They are characterised basis their purchase choice, product use and post-use, household management, collective, and consumer activism behaviours, reflecting some degree of environmental- related motivation (Peattie, 2010), purchase and use of products with lower environmental impacts (Pinto et. al, 2014), purchase products and services perceived to have a positive (or less negative) influence on the environment (Haws et. al, 2013). Non- green consumers on the other hand do not engage in pro-environmental behaviour (Barbarossa & Pelsmacker, 2014).

In general sense, conventional consumers are defined as being non-green consumers for not being able to emphasize on the environmental impact of their purchase decision (D'Souza, 2004). Although, it is observed that the green behaviours are not consistent among certain consumers, and such consumers tend to selectively opt for green product in certain product categories (Straughan & Roberts, 1999) and not in others. Such behaviour are also observed to be situation specific and are a result of factors such as peer influence (Lee, 2010), local environmental involvement (Lee, 2010), pricing variations (D'Souza, Taghian, & Khosla, 2007; Chen et. al, 2006), unavailability of green alternatives (Shamdasani et. al, 1993), etc. To cater to this category of green consumers, a new typology of consumer called 'pseudo-green consumers' is introduced in the current study that suits such consumers who do not consistently engage in green behaviours. The 'pseudo-green consumers' are theatrically green and do not engage in consistent environmental behaviours. The definition of the term 'pseudo-green' is referred from a study by Mahdavinejad et. al (2014). Thus, Pseudo-green players are expected to be adopting green behaviours in the consumer market for some

<sup>1</sup> Assistant Professor, V M Salgaokar Institute of International Hospitality Education Manora Raia Salcette Goa 403720 Email: <u>deeptijog6@gmail.com</u>

<sup>2</sup> Assistant Professor, Gujarat Law Society University, GLS Campus, Opp Law Garden, Ellisbridge, Ahemdabad 380006 Email: <u>apeksha@nribm.org</u> particular reason. The reasons could be, feel good factor, societal pressure, to maintain a status of being a green consumer and many more. Thus, these consumers are not pure-green and may change their green product preference based on changed circumstance. Pseudo-green typology can further be subdivided on the basis of other functional aspects. The three typologies explained above can provide an interesting understanding on the green consumer behaviour, and help marketers segment their markets accordingly.

With businesses questioning the role played by consumer's green involvement and in light of the rapidly accelerating number of green consumers, marketers have continued to grapple with the question of understanding consumers' comprehension on green purchase decisions. Factors such as green purchase attitude, which are formed as a result of likes and dislikes of customers and inclinations of the customers to buy a product with due consideration to environmental protection may significantly vary across the different consumer groups. Basis the existing long – standing value – behaviour theory (Shims, 1995) and the theory of planned behaviour (TPB) (Kalafatis, 1999, Jung-Min Ahn, 2012) additional factors including, green intention (Formed as a result of factors that can motivate the consumers towards green purchase decision), green peer influence (influence social group exert on individuals green buying) (Khare & Pandey, 2017), green mindfulness (a state of conscious awareness in which individuals are implicitly aware of the context and content of environmental information and knowledge) (Chen et. al 2014), exhibit a stronger linkage towards the consumer's green purchase behaviour and may help classify the consumers into the three typologies listed above.

# Literature Review

# Green Consumer Typology

A substantial amount of research has been done in defining and profiling green consumer segments (e.g. Chen and Chang, 2013a; Peattie, 2001; Roberts, 1996; Shrum et al., 1995). In order for understanding the existing green consumer typologies, it was crucial to highlight the existing literature classifying the green consumers. Table 1 below, shows existing classification of green consumers.

Author	Year	Classifications of Green Consumers
Mostafa	2009	potential greens, basic browns, true-greens, reluctant greens
Awad, T.A.	2011	1. <u>Green</u> : segment characteristics showed high orientation towards preserving the environment 2. <u>Ambiguous</u> : environmentally knowledgeable, such knowledge was not translated in their purchasing behaviour.
		3. <u>Un-devoted</u> : respondents 'were also sceptical about businesses claims made concerning the environment, to which it was not seen as, important among their worries
		4. <u>Explorers</u> : This segment scored high in environmental concern, resources saving, and willingness to pay more to preserve the environment. However, they take a negative position towards government intervention in the business environment.
Arminda M Finisterra do Paço	2009	1. <u>The uncommitted</u> : segment have very negative positions in relation to some environmental aspects (activism, environmentally friendly buying behaviour, recycling, resource saving and willingness to pay more to preserve the environment), despite the fact that they claim to have knowledge about the issue.
		2. <u>The green activists</u> : The individuals in this segment have a favourable position in relation to all environmental aspects, particularly towards perceived efficiency, environmentally friendly buying behaviour, recycling, sensitivity to the economic factor and resource saving, but they show themselves to be sceptical about the promotional and advertising claims made by firms.
		3. The undefined: They have a positive attitude towards recycling, and

**Table 1: Literature on Green Consumers Typology** 

		are highly sceptical about the promotional and advertising claims made by firms. They claim to have little knowledge about environmental issues. The environment does not occupy a prominent position among their concerns, and they consider that their individual action does not contribute to the improvement of the environment.	
Rex and Baumann	2007	Consumers according to typology by Ogilvy and Mather (in ref.[10](1992)) Consumer typology by Ogilvy and Mather <u>16% Activists</u> : Likely to buy green products and services <u>34% Realists</u> : Are worried about the environment but sceptical about the green and Vegan <u>28% Complacent</u> : See the solution as somebody else's problem <u>22% Alienated</u> : Are unaware of green issues or see them as transient share of consumers <u>11% True Blue Greens</u> : Major green purchasers and recyclers <u>5% Greenback Greens</u> : Will buy or give green but won't make lifestyle changes <u>33% Sprouts</u> : Care but would only spend a little more to buy green <u>18% Grousers</u> : Environment is somebody else's problem <u>31% Basic Browns</u> : Essentially don't/won't care.	
Barbarossa and Pelsmacker	2016	Green consumers are defined as those individuals who engage in a set of pro-environmental behaviours' (e.g., recycling, reducing household waste) primarily for environmental reasons. Non-green consumers are defined as those individuals who do not engage in a set of pro-environmental behaviours.	

Based on the current understanding of the existing green consumer typologies, it is understood that the pseudo green criteria of green consumer has not been extensively studied in the existing literature.

## **Green Consumption Behaviour**

Green consumption behaviour interlaces with other concepts such as ethical, sustainable and responsible consumption behaviours (Peattie, 2010). The concept is majorly discussed in the concept of purchase of products that are not harmful to environment or society or are recyclable and beneficial to environment (Chan, 2001). Green consumer behaviour is commonly associated with factors such as environmental protection (Tanner and Wölfing Kast, 2003); consumption reduction (Huttunen and Autio, 2010) and consumer social consciousness and responsibility (Moisander, 2007). Commonly, consumers' green consumption behaviour (GCB) includes recycling, protecting waterways, bringing own shopping bags, the purchase and consumption of EF products etc (Tan, Johnstone and Yang, 2016). Based on the above understanding, following hypothesis are proposed.

Several definitions were found in the literature; most associated green consumption with environmental protection (e.g., Tanner and Wölfing Kast, 2003), consumer social consciousness and responsibility (e.g., Moisander, 2007), while others related it to consumption reduction (e.g., Huttunen and Autio, 2010).

**<u>Research Question</u>**: How can the green, non-green and pseudo green consumers be differentiated in terms of their green consumption behaviours among Indian green consumers.

The present study proposes to employ a two-step procedure. This study considers designing a scale to understand the green consumer typologies at the first stage. The second stage of the research involves testing the mediating/moderating role of the proposed green consumer typologies on the relationship between green attitude, green trust and green performance as independent variables and green consumption behaviour as dependent variable.

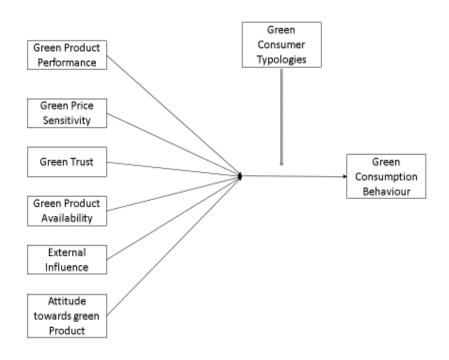
## **Research Methodology:**

In the current study, we attempt to summarise the existing literature basis how the three types of consumers significantly differ in their green purchase behaviour. The scale items were identified basis interviews conducted among consumers based on the last purchase decision. Personal interviews were conducted with 10 household consumers randomly to understand their approach towards green consumption. The findings of the interviews are provided in the table 2 below.

Consumer	Factors considered to decide to purchase the product	Whether purchased environmentally friendly products before
A	Quality, brand, (comes first), Budget, Furniture (Durable wood), quality Places (shops chosen), online shopping (service experience).Delivery time	Always eg. <u>Meat and sea food</u> – brands having their own farm and hygienic, good delivery <u>Craft Items</u> – less choice, plastic pen, plastic packaging. Limited choice, availability is a constraint, organic food, plastic packaging, and durability – Replacing stuff less often.
В	Imp factor – Cost Utility	Yes
С	Food Purchase: Reviews, Friends and family, Groceries Purchase: Respondents own experiences House Purchase: Quality, ratings, price comparison.	No
D	Brand perception, Fresh stock and place of purchase should be clean and hygienic. The way it is stored. Earlier experience and discounts – Consumer durables-New brand is opted is in small package just for trial	Not aware. Does not know how to check for the same
Е	Quality Brand	Yes. Wherever available
F	Design, price, material, easy availability	Yes, Cloth and paper bags
G	<b>Primary factor</b> : Fully packed packaging, availability, loyal towards certain brands, <b>Secondary factor</b> : Price	Trash Bags
Н	Price, Delivery time, comfort, quality, discount, brand name, utility	Detergent Powder, Staple, Menstrual cup
Ι	Price, brand options and convenient	No
J	Brand name, price and discounts, design	Tissue paper

The next step involves conducting an extensive literature review to identify the scale items for designing a green consumer typology scale. The scale will be tested with the existing variables such as green consumption behaviour, green trust, attitude towards green product, green price sensitivity, green product availability and external influence.

#### Proposed study model:



#### **Empirical Study Procedures:**

## **Data Collection Procedures:**

Population and unit of analysis will be the household consumers who are engaging any purchase decisions of products in any category. Sampling will be done basis convenience sampling method. Sample size will be estimated based on the estimation of the sample size needed in SEM using AMOS (Gaskin, 2016).

## **Data Analysis Procedures:**

The data will be analyzed using SPSS (Version 22) for generating descriptive statistical reports and AMOS for structural equation modelling and moderation and mediation analysis.

#### **Conclusion:**

In green marketing perspective, understanding the consumer typology is considered important for the organizations that help them significantly conduct segmenting, targeting and positioning for the products offered by them. Although, there are a number of consumers opting for green products, only a few consumers show consistency in their green consumption behaviours. A detailed understanding about the green, non-green and pseudo-green consumers can help the organizations to target the consumer segments more effectively.

## **References:**

- 1. Arminda, M., & Do Paço, F. (2009). Adam Werbach, Strategy for Sustainability. A Business Manifesto. *International Review on Public and Non-Profit Marketing*, 6(2), 187.
- 2. Awad, T. A. (2011). Environmental segmentation alternatives: buyers' profiles and implications. *Journal of Islamic Marketing*.
- 3. Barbarossa, C., & De Pelsmacker, P. (2016). Positive and negative antecedents of purchasing eco-friendly products: A comparison between green and non-green consumers. *Journal of Business Ethics*, 134(2), 229-247.
- Bonini, S., & Oppenheim, J. (2008). Cultivating the green consumer. Stanford Social Innovation Review, 6(4), 56-61.
  Chen, Y. S., & Chang, K. C. (2013). The nonlinear effect of green innovation on the corporate competitive

Chen, Y. S., & Chang, K. C. (2013). The nonlinear effect of green innovation on the corporate competitive advantage. *Quality & Quantity*, 47(1), 271-286.

- 5. Chen, Y. S., Lai, S. B., & Wen, C. T. (2006). The influence of green innovation performance on corporate advantage in Taiwan. *Journal of business ethics*, 67(4), 331-339.
- 6. Chen, Y. S., Chang, C. H., & Lin, Y. H. (2014). Green Transformational leadership and green performance: The mediation effects of green mindfulness and green self-efficacy. *Sustainability*, *6*(10), 6604-6621.
- 7. D. C. Pinto, M. M. Herter, P. Rossi, A. Borges, (2014). Going green for self or for others? Gender and identity salience effects on sustainable consumption, International Journal of Consumer Studies, vol. 38, pp. 540-549
- 8. D'Souza, C. (2004). Ecolabel programmes: a stakeholder (consumer) perspective. *Corporate Communications: An International Journal.*
- 9. D'Souza, C., Taghian, M., & Khosla, R. (2007). Examination of environmental beliefs and its impact on the influence of price, quality and demographic characteristics with respect to green purchase intention. *Journal of Targeting, Measurement and Analysis for Marketing*, 15(2), 69-78.
- 10. Huttunen, K., & Autio, M. (2010). Consumer ethoses in Finnish consumer life stories–agrarianism, economism and green consumerism. *International Journal of Consumer Studies*, *34*(2), 146-152.
- Jung-Min Ahn a, D.-M. K.-S. (2012). Different impacts of normative influences on pro-environmental purchasing behaviour explained by differences in individual characteristics. Journal of global scholars of marketing science: bridging Asia and the world. K. c, Peattie, 2010, Green consumption: behavior and norms, vol. 35, pp. 195-228
- 12. K. Haws, R. Walker Naylor, K. Page Winterich, (2013), Seeing the world through GREEN- tinted Glasses: Green Consumption Values and Responses to Environmentally Friendly Products, Journal of Consumer Psychology
- 13. Kalafatis, S. P. (1999). Green marketing and Ajzen's theory of planned behaviour: a cross-market examination. Journal of Consumer Marketing, 16(5).
- 14. Khare, A., & Pandey, S. (2017). Role of green self-identity and peer influence in fostering trust towards organic food retailers. *International Journal of Retail & Distribution Management*.
- Lee, K. (2010). The green purchase behavior of Hong Kong young consumers: The role of peer influence, local environmental involvement, and concrete environmental knowledge. *Journal of international consumer marketing*, 23(1), 21-44.
- Lennon, S. J., Johnson, K. K., & Park, J. (2001). Research Trends in Textiles and Clothing: An Analysis of Three Journals, 1980–1999. Family and Consumer Sciences Research Journal, 30(2), 117-139. Retrieved 1 21, 2020, from <u>http://onlinelibrary.wiley.com/doi/10.1177/1077727x01302002/abstract</u>
- 17. Mahdavinejad, M., Zia, A., Larki, A. N., Ghanavati, S., & Elmi, N. (2014). Dilemma of green and pseudo green architecture based on LEED norms in case of developing countries. *International Journal of Sustainable Built Environment*, *3*(2), 235-246.
- 18. Moisander, J. (2007). Motivational complexity of green consumerism. *International journal of consumer studies*, *31*(4), 404-409.
- 19. Mostafa, M. M. (2009). Shades of green: A psychographic segmentation of the green consumer in Kuwait using self-organizing maps. *Expert Systems with Applications*, *36*(8), 11030-11038.
- 20. Peattie, K. (2010). Green consumption: behavior and norms. Annual review of environment and resources, 35.
- 21. Rex, E., & Baumann, H. (2007). Beyond ecolabels: what green marketing can learn from conventional marketing. *Journal of cleaner production*, 15(6), 567-576.
- 22. Roberts, J. A. (1996). and Implications for Advertising. Journal of business research, 36, 217-231.
- 23. Shamdasani, P., Chon-Lin, G. O., & Richmond, D. (1993). Exploring green consumers in an oriental culture: Role of personal and marketing mix factors. *ACR North American Advances*.
- 24. Shim.s. (1995). Environmentalism and consumers' clothing disposal patterns: an exploratory study. Clothing and Textiles Research Journal, 13(1).
- 25. Shrum, L. J., McCarty, J. A., & Lowrey, T. M. (1995). Buyer characteristics of the green consumer and their implications for advertising strategy. *Journal of advertising*, 24(2), 71-82
- 26. Straughan, R. D., & Roberts, J. A. (1999). Environmental segmentation alternatives: a look at green consumer behavior in the new millennium. *Journal of consumer marketing*.
- 27. Tan, L. P., Johnstone, M. L., & Yang, L. (2016). Barriers to green consumption behaviours: The roles of consumers' green perceptions. *Australasian Marketing Journal (AMJ)*, 24(4), 288-299.
- 28. Tanner, C., & Wölfing Kast, S. (2003). Promoting sustainable consumption: Determinants of green purchases by Swiss consumers. *Psychology & Marketing*, 20(10), 883-902.