



## A Study on the Impact of Environmental Consciousness on Green Purchasing Decisions Among Gen Y Customers

### KEYWORDS

green marketing, environment consciousness, Gen Y

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### ABSTRACT

*Most often, we as consumers do not link our daily life with the environment. We make fewer attempts to know the impact of environmental problems and issues related to it. The concept of environmental consciousness is more relevant to the upcoming clan of Managers. This study therefore is an attempt to assess the environmental consciousness of Gen Y customers. The main objective of this study is to investigate the impact of environmental consciousness on the purchase behavior of the consumers. The environmental consciousness is more suitable for characterizing consumers (Gen Y) purchase decision. Gen Y customers were asked questions related to their life style decision, actual purchasing behavior with reference to environmental importance. It was observed that different environmental consciousness measures stands as important explanatory variables for both the general purchasing behavior scales as well as the specific purchasing items on the specific purchasing behavior scales.*

### Introduction

Green Marketing is related to promotion of products by employing environmental claims. This includes the product attributes or about the systems, policies and processes of the firms that manufacture or sell them. Clearly, green marketing is part and parcel of the overall corporate strategy. Along with manipulating the traditional marketing mix (product, price, place and promotion), it requires an understanding of public policy processes.

The concept of environmental consciousness is more relevant to the upcoming Managers. This study therefore is an attempt to assess the environmental consciousness of the Gen Y customers. The main objective of this study is to investigate the impact of environmental consciousness on the purchase behavior of the customers. The environmental consciousness is more suitable for characterizing customers (future managers) purchase decision.

Green purchasing decision in general and specific purchasing habits of 5 green categories were taken to measure environmental knowledge, attitude and purchase behavior. The reason for this study was that there would be a connection between the consumers' self described environmental consciousness and levels of green purchasing behavior. The reason for this is any connection between environmental knowledge and environmental attitude could be stronger than the connection between the self rating concerning conservation efforts in explaining levels of pro-environmental purchase behavior (Engel et al., 1993) and in addition to this, customers care for the environment but, they are not willing to change entire purchase behavior in favor of green items.

### Objective of the Study

To assess the environmental consciousness of Gen Y customers.

To assess the strength and relationship of the Environmental Consciousness on General Green Purchasing Behavior

To assess the strength and relationship of Environmental Consciousness on specific green purchasing behavior.

### Review of Literature

In late 1992, a Nielsen study revealed that four out of five consumers were expressing their opinions about the environment through their purchasing behavior (Marketing, 1992). It is likely, therefore, that consumers who exhibit high levels of environmental consciousness make more green purchasing decisions than those exhibiting low levels. The environmental consciousness construct over the last 25 years, there have been numerous attempts to conceptualize and operationalize the construct of "environmental consciousness".

The demand for green products are not even across different market segments (Ottman, 1992; Peattie, 1992). Thus, organizations to position green products, or communicate their environmental efforts, to members of the population who are likely to be concerned about environmental issues, green consumer segments need to be identified" (Bohlen et al., 1993, p. 415).

The relative ease with which socio-demographics can be measured and applied, they are always considered as widely used variables for profiling purposes. However, recent evidence illustrates that "there is very little value in the use of socio-demographic characteristics for profiling environmentally-conscious consumers in the UK" (Schlegelmilch et al . 1994, p. 348), with only very weak relationships uncovered on a bivariate basis.

Personality variables find higher linkage with individual characters and behavior, which includes environment consciousness(Kinnear et al 1974, Schwepkar & Cornwell 1991), in case of specific pro-environmental behavior the results are bit inconsistent. Moreover personality variables are used to explain a part of total variability of the behavioural measures used (Webster 1975).

**Methodology**

The data for the study was collected from B school students across the Coimbatore city. The survey instrument was administered in a self completion format to a sample of second year MBA students. The Filled in questionnaires were collected from 410 students from eight business schools out of which 216 were complete and usable.

**Dependent Variable**

The dependent variables employed in the analysis all relate to individuals purchasing habits of the environmental friendly products (Table 1). In operationalising the pro-environmental purchasing domain, a conscious effort was made to exclude items purchased for reasons of energy conservation, where the latter may not be motivated by individuals' environmental consciousness. For example, while the purchasing of energy efficient light bulbs is undoubtedly an "environmentally-sensitive" behaviour, it is a decision more often driven by personal economics (Hseueh and Gerner, 1993; Powers et al ., 1992). As noted previously, two conceptualizations of the purchasing domain are included as dependent variables.

**Table 1**  
Summary Statistics for purchasing measures

Dependent Variables	No. Items	Mean	SD	Range
General Purchasing Scale	3	3.39	0.745	3-15
Recycled Paper products	1	3.38	0.784	1-5
Cosmetics/Products tested on animals	1	2.46	0.671	1-5
Environmental friendly Detergents	1	3.19	0.591	1-5
Organically grown fruits and vegetables	1	4.23	0.572	1-5
Ozone friendly Aerosols	1	3.41	0.641	1-5

General pro-environmental purchasing behaviour was captured with the general purchasing behavior scale, a summated measure of responses to three purchasing statements, namely:

- (1) "Choose the environmentally-friendly alternative if one of a similar price is available";
- (2) "Choose the environmentally-friendly alternative regardless of price"; and
- (3) "Try to discover the environmental effects of products prior to purchase".

Each item was measured on a 5-point frequency of purchase scale (1 = "Never", 5 = "Always"). Specific pro-environmental purchasing behavior was captured with five variables, all single-item measures recording purchase frequencies of a number of green product categories, measured on 5-point scales (1 = "Would never buy", 5 = "Would always buy").

**Independent Variables**

The domain of "environmental consciousness" is defined as a multi-dimensional construct, consisting of cognitive, attitudinal and behavioural components. Therefore, measures encapsulating all three dimensions are included as independent variables, using four composite scales (Bohlen et al., 1993); these include:

A knowledge scale measuring the respondent's self-perception of knowledge on a total of 11 key environmental problems, scored on a fivepoint itemized category format (1 = "Know nothing about", 5 = "Know a great deal about").

An attitudes scale consisting of 19 five-point Likert statements aimed at capturing the respondent's concern about environmental quality (1 = "Strongly disagree", 5 =

"Strongly agree").

A recycling behaviour scale comprising four items regarding levels and types of recycling activities, scored on a five-point itemized category format (1 = "Would never do", 5 = "Do often").

A political action scale consisting of four politically-motivated activities in order to combat environmental degradation (e.g. writing to newspapers or supporting pressure groups), scored on a five-point itemized category format (1 = "Would never do", 5 = "Do often")

**Table 2**  
Summary Statistics for Environmental Consciousness Scale

Independent Variables	No of items	Minimum	Maximum	Mean	Standard Deviation
Environmental Knowledge Scale	11	1.91	5	3.956	0.680
Environmental Attitudes Scale	19	2.05	4.78	3.976	0.432
Recycling Behaviour Scale	04	1.50	4.78	3.080	0.753
Political Action Scale	04	1.25	5	2.907	0.888

**Findings and Discussions**

**Impact of Environmental Consciousness on General Purchasing Behaviour Scale**

To assess the strength of the relationships between the measures of environmental consciousness and pro environmental purchasing behavior, individual regression analyses was done. The regression results for the general purchasing behavior measure was found to be highly significant at 0.01 percent level. In addition all the coefficients were in the positive direction, demonstrating higher the consciousness score higher the frequency of green purchasing decisions.

**Table 3**  
Results of Regression Analysis for general Purchasing behavior scale against the environmental consciousness scale.

Dependent Variable	R	R Square	Adjusted R Squared	F Value	Significance
General Purchasing Behaviour	0.377	0.325	0.298	34.795	0.000

Independent Variables	Unstandardise Coefficient		Standardised Coefficient	T	Significance
	B	Std Error			
Constant	-.321	.358		-.897	.371
Environmental Knowledge Scale	.209	.069	.190	3.030	.003
Environmental Attitudes Scale	.479	.105	.278	4.566	.000
Recycling Behaviour Scale	.230	.064	.232	3.589	.000
Political Action Scale	0.125	0.054	.149	2.296	.023

Environmental Attitudes Scale was the highest predictor of the General purchasing behavior scale with the highest

positive coefficient of 0.47 and the significance of the variable was also found to be high.

**Table 4**  
**Results of Regression Analysis for Specific Purchasing behavior scale against the environmental consciousness scale.**

Independent Variables	Dependent Variables									
	Recycled Paper Products		Cosmetics/Tested on Animals		Environmentally friendly Detergents		Organically grown Fruits and Vegetables		Environment friendly Aerosols	
	Beta	Sig	Beta	Sig	Beta	Sig	Beta	Sig	Beta	Sig
<b>Environmental Knowledge Scale</b>			0.565	0.001	0.303	0.045	0.5220	0.0000	0.409	0.006
<b>Environmental Attitudes Scale</b>	0.613	0.001			0.311	0.013	0.2110	0.008	0.128	0.01
<b>Recycling Behaviour Scale</b>	0.3060	0.009								
<b>Political Action Scale</b>										
<b>R Square</b>	0.160		0.147		0.120		0.254		0.138	
<b>Adjusted R Square</b>	0.145		0.131		0.103		0.240		0.122	
<b>Model Significance</b>	0.000		0.000		0.000		0.000		0.000	

#### Impact of Environmental Consciousness on Specific Purchasing Behavior

It was checked if there was any impact of the environmental consciousness variables on the specific purchasing behavior scale. The specific purchasing behavior was assessed on 5 products the results of the same are given in table 4.

The results indicate that the model significance was found to be very high in spite of the R square values were found to be low. The difference between the R Square and adjusted R square were also found to be minimal reducing the errors. It can also be seen that the R square values are higher for the organically grown Fruits and vegetables than the other products. This could be attributed to the reason that the consciousnesses of environmental issues that affect individual health have been well understood by the students.

Another important aspect that can be understood from the analysis is that the beta values for the environmental knowledge scale and the environmental attitudes scale were found to be high than the other scale items. These environmental knowledge and attitude was a predictor for the green purchasing behavior of the individuals.

#### Discussion

The main purpose of the study was to assess the link between variables specific to environmental consciousness and pro environmental purchasing behavior. The regression results indicate that such measure may be more useful than the socio demographic or personality variables. Indeed the environmental consciousness variables often explain 10 to 20 percent of the variation in the purchas-

ing behavior of the students. This clearly indicates that the environmental consciousness has a positive impact on the general purchasing behavior.

The Environmental Attitudes scale and the environment Knowledge scale were found to have a consistent impact on the general purchasing behavior as well as the specific purchasing behavior. Therefore it can be said that the greater the awareness of the students with respect to the environment higher would be the probability of the Gen Y customer to be a green customer. Though the "true" environmental knowledge is difficult to capture (Bohlen et al)

The Recycling Behavior scale and the political action scale were observed to explain substantial variation in the purchasing measures. It can be attributed to the fact that the activities encapsulated in the political action scale are more likely to be undertaken by consumers who are highly environmentally conscious.

#### Conclusions

The study took into account the Gen Y customers, and the awareness of the environmental consciousness was found to be above average among the customers. Had the study taken into account a larger sample which includes the general public, a comparison of both would have brought out the extent of impact of the explanatory variables in a more concrete manner. In spite of the above set back this study has illustrated that consumers environmental consciousness may impact on their purchasing decisions, although the latter are also likely to be influenced by other moderating factors. The findings suggest that the attitudes and knowledge are the most consistent predictors of the environmental purchasing behavior.

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