



“Impact of Corporate Social Responsibility and Green Marketing Awareness on Consumer Purchase Intention”

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ABSTRACT Over the last few years, due to the increasing amount of environmental concern, this paper examines the impact of green marketing awareness and corporate social responsibility on the consumer purchase intention. Data was collected from stores located in Pondicherry through the questionnaires distributed to the consumers practicing eco friendly lifestyle. IBM SPSS and AMOS Graphics used to analyze the data. In order to interpret the data, structural equation model has been used. The results revealed that there is a positive relationship between green marketing awareness and corporate social responsibility on consumer purchase intention.

KEYWORDS :

INTRODUCTION

Over the last few years, due to increasing amount of environmental concerns, the attribute “green” has become prominent in today's world. In order to address society's raising concern; companies have begun to accept responsibility towards protection of environment by adopting various marketing strategies that conserves our natural resources, with the reduction of pollution and manufacturing eco friendly products which satisfies the need and desire of potential consumer. As consumer purchasing decision changes frequently with the passage of time and fashion, consumer hardly compromise with the quality and performance of a product, so the basic assumption of green marketing or ecological marketing is that potential consumers view a product or service's 'greenness' as a benefit and develop their buying intention. Accordingly the responsibility of corporate also increases towards the environment and society at large. Indeed the corporate houses utilize the limited resources in an efficient way and position their product in such a way that stimulates consumer intention to buy a particular green product even at a high price.

With the business world being as competitive as ever, awareness regarding green marketing has increased with the use of eco-labels, co-brands, environmental advertising, allocating a specified place for selling organic products and with the proper measures taken by government such as say “no to polythene bags for free”. The commitment by corporate to follow ethical business practices has been on surge that contributes to social and economic development that improves the quality of living beings. Further, both small and large organization are involved in Consumer Social Responsibility (CSR) activities as there are two reasons for this growing interest, that is, consumers demand high-quality product at low price and a firm may obtain competitive advantages by focusing on non-economic factors. Well established firms such as Google, well known for their “Do No Evil” slogan, helped to popularize CSR what was once considered something only done by 'do-gooders'. From sponsoring a charity event, to hiring staff locally, CSR efforts boosts goodwill profoundly and potentially attracts more customers by engaging the community in serving the society with greater transparency.

Literature review

“Green marketing awareness” begins when the company perceives the significance of the quality of the environment while satisfying consumer desires and demands being socially responsible (Chan et al., 2012; Soonthonsmai, 2007) though in earlier research (Wheeler et al. 2013), green awareness was insufficient to affect consumer intention to purchase which resulted in non acceptance of green brands but later on (Thogerson, J., Jorgenson and A. Sandager, S., 2012) the 'green attribute' encouraged more number of consumers to make decision regarding environmental friendly products within less time and effort and with the use of eco friendly product feature such as eco label, eco brands, environmental advertising the consumer strongly prefer to buy and use green products (Nik Abdul Rashid, 2009) thereby the consumers are willing to pay more for the green products (Aysel

Boztepe) to protect themselves from environmental pollution which are the result of human activities and technological advancement. Moreover while selecting a green product, consumer combines attitude with their knowledge about the environment (Matthes et al., 2013; Zhao et al., 2014) therefore depending upon the environment friendly benefits, company must position their product in such a way that evoke consumer intention to purchase green products (Rex & Baumann, 2007) as there is (Agyeman 2014) a positive relationship between the factors and consumer buying behavior for green products, though quality and price of the product and environmental concerns play prominent role, when it comes to actual purchase of the green products, green marketers should make strategies after proper understanding of the segment market and plan marketing mix strategies accordingly. The three factors that influence young consumer are environmental knowledge, peers and parents.

Indeed the green marketing knowledge can be developed in a better way among the consumers by allocating a specific space to sell green products and by distributing eco friendly fliers that intends the consumer to buy eco friendly products as a result of which sales and profit of a company increases simultaneously taking care of the society at large (Norazah Mohd Sukia, Norbayah Mohd Sukib, Nur Shahirah Azmana) which enhances the corporate image through the influence of product image, social responsibility and corporate reputation. Abdul Rashid, (2009) also suggested that product image and corporate reputation directly influence purchase intention and social responsibility.

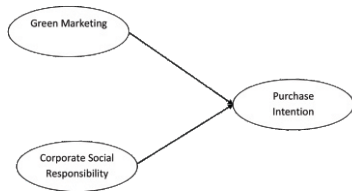
Earlier consumer choose products mainly on the basis of their quality and price, corporates did not consider CSR while purchasing a product as people were not aware of it, but now they are increasingly interested in CSR (Itiza Gigauri) with the increase in world business protector such as ethical investment firms and NGOs, and ethical business practices have also forced corporates to get into CSR activities (Chapple & Moon, 2005) which further resulted in enhancement of performance of corporate (Waddock and Graves (1997).

OBJECTIVES OF THE STUDY

Awareness and responsibility towards various environmental problems play a prominent role to stimulate people to buy eco-friendly products. Therefore, this paper attempts to relate various variables that affect consumers purchase intention. The primary objective of this paper is to study the impact of CSR on consumer purchase intention and to assess the influence of green marketing awareness on consumer purchase intention. In accordance with these objectives, the hypotheses formulated are as follows:

H1_o: Green marketing awareness has a positive effect on consumer purchase intention.

H2_o: Corporate social responsibility has a positive effect on consumer purchase intention.



METHODOLOGY

In our study, respondents involved are the consumers who practice eco friendly lifestyle in Pondicherry town. The data collected is from January 2017 to April 2017 using convenience sampling. Questionnaires were outlined into three segments such as socio-demographic, experience of consumers regarding green marketing and consumer's awareness towards green marketing where five items of green marketing awareness were taken from Kim (2002), four items relating to corporate social responsibility and four items on consumer purchase intention were adopted from ko *et al* (2008) and Winter (1986). A total of 480 questionnaires have been distributed through direct personnel contact. The survey yields a valid response of 348 customers a 72.5 per cent response rate for further analysis. Out of 348 respondents, 145 (41.67%) are male and 203 (58.33) are female where the mean age of the respondents are 42 and 72% of the respondents are married in this study. Data was analyzed using the IBM AMOS 20 and SPSS 17 software. Tools used in the study are correlation and structural equation model.

DATA ANALYSIS

Demographic Profile			
Variables	Category	Frequency	Percentage
Gender	Male	145	41.67
	Female	203	58.33
Age	<25	42	12.07
	25-40	74	21.26
	40-55	116	33.33
	55-70	78	22.41
	>75	38	10.92
Education	Higher Secondary and below	74	21.26
	Undergraduate or equivalent	130	37.36
	Masters / Post Graduate	82	23.56
	Doctorates/ PhD	17	4.89
	Other Professionals	45	12.93
Income	<10000	15	4.31
	10001-30000	121	34.77
	30001-50000	96	27.59
	50001-70000	79	22.70
	>70000	37	10.63
0.00			
Frequency of retail stores visit per month	1 time	57	16.38
	2 time	81	23.28
	3 time	79	22.70
	4 time	81	23.28
	>5 time	50	14.37
Experiences in green consumption per month	1-5 times	115	33.05
	6-10 times	94	27.01
	11-15 times	71	20.40
	16-20 times	40	11.49
	>21 times	28	8.05

Reliability and validity

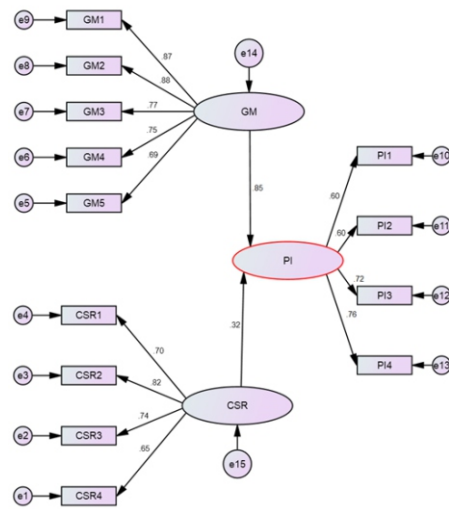
Factor	Item	Standardized loading	Cronbach's alpha	Composite Reliability (CR)	Average Variance Extracted (AVE)
Green Marketing Awareness	GM1	0.87	0.85	0.89	0.65
	GM2	0.88			
	GM3	0.77			
	GM4	0.75			
	GM5	0.69			

Corporate Social Responsibility	CSR1	0.70	0.82	0.87	0.64
	CSR2	0.82			
	CSR3	0.74			
	CSR4	0.65			
Purchase Intention	PI1	0.60	0.81	0.88	0.71
	PI2	0.60			
	PI3	0.72			
	PI4	0.76			

The cronbach's alpha determines internal consistency of green marketing awareness, corporate social responsibility and purchase intention as .85, .82, .81 respectively, hence it needs to be considered. AVE and Composite reliability which assess convergent validity and reliability for green marketing awareness which is .65 and .89, for corporate social responsibility it is .64 and .87 and for purchase intention .71 and .88 respectively, as it satisfies the threshold criteria it can be considered.

Structural model

For analysis the structural equation model have been used, to know the relationship between Green marketing awareness and corporate social responsibility with purchase intention. The model showing the relationship between Green marketing awareness and corporate social responsibility with purchase intention are given below.



GM- Green Marketing Awareness, CSR- Corporate Social Responsibility, PI- Purchase Intention

Standard Estimates								
Chi square	Df	Ratio	P-Value	GFI	AGFI	CFI	TLI	RMSEA
221.091	64	3.455	0.00	.936	.927	.98	.98	.02

The structural equation model shows a good fit of proposed model. The factor loading of respective variables are beyond the critical level of 0.6, it indicates that the factor have a significant relationship with latent variable. On the other hand the corporate social responsibility has also significant relationship with purchase intention but less related with purchase intention as compared to green marketing awareness. Goodness of Fit index (GFI) obtained is 0.936 as against the recommended value of above 0.90, The Adjusted Goodness of Fit Index (AGFI) is 0.927 as against the recommended value of above 0.90 as well. Comparative Fit index (CFI) and Tucker Lewis Index (TLI) are 0.98 and 0.98 respectively as against the recommended level of above 0.90. RMSEA is 0.02 which is against the recommended limit of 0.06. Hence the model shows an overall acceptable fit.

From the analysis it is found that the Green marketing awareness has a strong positive impact on purchase intention at the mean time the corporate social responsibility has a significant positive impact on purchase intention but has less impact on purchase intention.

DISCUSSION

With the world facing various environmental issues resulting from globalization, consumers have various alternatives which influence their purchase intention. As consumers create various business

opportunities , many well established corporates put more efforts to attract more consumers by being socially responsible and creating green awareness among the consumers, which keep the environment safe for the survival therefore our results suggests that green marketing awareness influences more consumer purchase intension than corporate social responsibility though both have a positive relationship.

In order to actively encourage the recognition of green products, green labels can be used for dealing with the clothing product where it provides information on quality,price,composition, handling procedure, and impact on environment etc.(Rex and Baumman).Green label is an important tool that evoke consumer intension to buy green product as there is a positive relationship between knowledge provided in the label regarding a green products and consumer purchase intension(Nik Abdul Rashid).

Eco brands (sign,symbol,design or combination of all) helps consumers' awareness in differentiating green products from non-green products which are environmentally safe and motivates consumer's intension towards green products. Allocation of specific place for selling organic goods also attracts consumers towards eco-friendly products. In the era of digitalization with the raising concern for the surrounding, companies introduces new green products with the help of eco advertisement such as distribution of published eco-friendly fliers for the people who follow green lifestyle.

Corporates which are socially responsible deals with the project that usually reduces pollution and provide quality product which are environmentally safe which protects both humans and animals from harmful effects that contributes for the welfare of the community as a whole. Well established companies follows ethical business practices with greater transparency in line with the government environmental standards that leads to the development of nation as a whole for healthier and sustainable future.

CONCLUSION

With the increasing consumer knowledge on the environment (Dinnie et al. (2006), Hartmann and Ibanez (2006), Norazah (2013a, 2013b), various environmental programs organized by the stores has also risen up , influencing consumer purchase intension and green marketing awareness helps the corporate to be socially responsible. Nowadays, consumers are not just interested to know about the green product they purchase but also keen to know about the company behind the green product and the impact on the environment. The developing role of companies to provide quality and environmentally safe products has taken its place with the growing expectation of the consumers who follow green lifestyle. Therefore, with the proper implementation of ethical business practices(Smith & Perks, 2012) and greater transparency , corporate can grow in the ladder of success by satisfying consumers and society.

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