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**A STUDY OF DETERMINANTS OF GREEN PURCHASE INTENTION
TOWARDS GREEN PRODUCT**

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DECLARATION

I declare that this thesis research project of title “A study of determinants of green purchase intention towards green product” is the result of my own research except the cited in the references. The research project has not been for any degree and is not concurrently submitted in candidature of any degree.

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DEDICATION

I would like to dedicate the success of this project research especially to my parents which is my father Ismail Bin Haji Khair and my beloved mother, Rafeah Binti Radin Manan. This report will be dedicate to them because I want to thank for all the sacrifices that they made for me while I been studied at this university. Secondly, this dedication is given to siblings who have helped in terms of advice, finance and encouragement support to make this report. Nest, I would like to express a lot of gratitude to my supervisor Dr. Haslinda Musa and my friends that give a lot of helped while make this Final Year Project.

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ABSTRACT

Today's we can see a dynamic growth competitive business environment between sector in term of technologies, management and industry and everything we doing in our daily life is going green. "Going green" means to pursue knowledge and practices that can lead to more environmentally friendly and ecologically responsible decisions and lifestyle, which can help protect the environment and sustain its natural resources for current and future generations. The definition of green products are energy efficient, durable and often have low maintenance requirements. Free of Ozone depleting chemicals, toxic compounds and do not produce toxic by-products. Often made of recycled materials or content or from renewable and sustainable sources. The determinants of green purchase intention of green product which is environmental attitude, subjective norm, perceived behavioral control, eco-label and price sensitivity. This five elements contribute the factor that influence the green product daily. Further investigation reveals that environment advertising enjoys a modest and positive impact on the relationship between independent variable and green purchasing intention. The results gives marketers an overview of the factor that influence of buying consumer green products. This will help marketers to develop deep holistic strategies and tactics according to the findings to appeal consumers, which ultimately achieved green sales is expected products that require different marketing strategies than conventional products. Implications for advanced marketers discussed.

Keywords: Green Product, Green Purchase Intention, environmental attitude, subjective norm, perceived behavioral control, eco-label, and price sensitivity.

ABSTRAK

Hari ini kita dapat melihat persekitaran perniagaan yang berdaya saing pertumbuhan dinamik antara sektor dari segi teknologi, pengurusan dan industri dan segala yang kita lakukan dalam kehidupan seharian kita akan menjadi hijau. "Berjalan hijau" bermaksud menerapkan pengetahuan dan amalan yang boleh membawa kepada keputusan dan gaya hidup yang lebih mesra alam dan ekologi, yang dapat membantu melindungi alam sekitar dan mengekalkan sumber semula jadi untuk generasi semasa dan masa depan. Takrif produk hijau adalah tenaga cekap, tahan lama dan sering mempunyai keperluan penyelenggaraan yang rendah. Bebas bahan kimia berkurangan ozon, sebatian toksik dan tidak menghasilkan produk toksik toksik. Selalunya diperbuat daripada bahan kitar semula atau kandungan atau dari sumber yang boleh diperbaharui dan lestari. Penentu kehendak pembelian hijau produk hijau yang merupakan sikap persekitaran, norma subjektif, kawalan tingkah laku yang dianggap, label eko-label dan kepekaan harga. Lima elemen ini menyumbang faktor yang mempengaruhi produk hijau setiap hari. Penyiasatan lanjut mendedahkan bahawa pengiklanan persekitaran menikmati kesan yang sederhana dan positif terhadap hubungan antara variabel bebas dan niat pembelian hijau. Hasilnya memberikan pemasar gambaran tentang faktor yang mempengaruhi pembelian produk hijau pengguna. Ini akan membantu para pemasar untuk membangunkan strategi dan taktik holistik yang mendalam mengikut penemuan untuk merayu pengguna, yang pada akhirnya mencapai jualan hijau diharapkan produk yang memerlukan strategi pemasaran yang berbeza daripada produk konvensional. Implikasi untuk pemasar lanjutan dibincangkan

Kata kunci: Produk Hijau, Niaga Pembelian Hijau, sikap alam sekitar, norma subjektif, kawalan tingkah laku yang dilihat, label eko, dan kepekaan harga.

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CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter is the summarization which gives the reader a comprehensive overview of the study. It is started by a background of the study and followed by providing the problem statement of the research problem, research questions and focusing the exactly of the objectives goals of this study. At the end of this chapter includes scopes, limitation key assumption and the importance of this study. The topic of this research is a study about the determinants of green purchase intention. This paper will briefly reviewing the green marketing, determinants of green purchase intention overview the theory planned behavior (TPB) in Melaka.

Green marketing refers to process of selling product or services based on environmental benefits or likely to be called the environmental friendly or eco-friendly. Companies that are committed on sustainable development and corporate social responsibility are usually practiced the green marketing. According to (Gleim, Smith, Andrews, & Cronin 2013) revealed that green marketing has encountered some challenges, in spite of the potential and benefits of green product and green marketing.

The existing marketing seek to challenge these approaches and provide a different perspective as the part of new marketing are the eco-marketing. Nowadays the green marketing are currently practiced and the ecological and social realities of the wider marketing environment. As they have trigger point that will move them to buy, the marketing is effectively require emphasizing product rather than care for the planet. The protection of ecological environment is the concept of green marketing as the modern marketing has created a lot of problems.

1.2 Background of study

Extensive global economic and technological developments as well as rising global population and intense usage patterns have sparked negative environmental impacts over time and resulted in major environmental declines such as climate change, pollution and deforestation (Chekima, Wafa, Igau, Chekima, & Sondoh, 2016). These phenomena of the 70s and 90s diminish quickly Akehurst, Afonso & Martins Gonçalves, 2012) and it growing environmental concern arose again. The improvement of people's environmental concerns, new ecological ethics have been established that not only involve politics, but also raise awareness of the environment of society (Jang, Kim & Bonn, 2011) and the changes the behavior of individual uses in a more sustainable direction becoming a trend ((Özlem, Herrmann-Linß, Friedrich & Baumgarth, 2015).

Consequently, movements towards a more environmentally friendly lifestyle and experimentation for green consumption behavior can be adhered to and it is still growing (Cherian & Jacob, 2012). As many businesses started offering green products and services as it is response to the public's pro-environmental and it has engaged in green supply chain management (Wang & Chan, 2013). If the process is in eco-friendly or less damaging to

the environment the product is called as 'green product'. The ones that incorporate recycled content, energy efficient, green innovation and safe to the environment are defined as green product (Kianpour, K., & Jusoh, A. (2014). A recyclable goods that will neither pollute the environment, nor utilize natural resources is called as green product. More specifically, referring to life-style products has a minimal impact on the natural environment and is claimed by producing and distributing companies to be examples in environmentally, friendly, organic or degradable (Kahle, as cited in Suki, 2013).

1.3 Problem Statement

Due to the increasing awareness of the environment among consumers, the topic of customer behavioral behavior has arisen as a research trend. According to Joshi and Rahman (2015a), there are only a few studies that investigate the factors that influence the green purchase intention. Kanonuhwa and Chimucheka (2014) states that a further quantitative research on how green marketing factors and behaviors designed naturally influence the green purchase intention which make this investigation more attractive to do.

From this suggestion, it is also important to continue to consider consideration of who stresses that investigating different cultural contexts may lead to different factors affecting green purchase intention and it is verified by Liobikiene, Grinceviciene and Bernatoniene (2017). There is a current trend towards researching the green purchase intention in developing countries such as Malaysia (Din et al., 2016).

The producers and retailers must strongly reacted in response to consumers' increased environmental awareness by adapting the products for instance with the use of eco-labels (Igl & Kellner, 2017). It also shows that the consumer does not want to buy the green product as the price is too expensive.

1.4 Research Questions

1. Will the environmental attitude influence the green purchase intention?
2. Will the subjective norms influence the green purchase?
3. Will the perceived behavioral control influence the green purchase intention?
4. Will the eco labelling influence the green purchase intention?
5. Will the price influence the green purchase intention?
6. What is the relationship between determinant and the green purchase intention?

1.5 Research Objectives

1. To identify whether the environmental attitude influence the green purchase intention.
2. To investigate the subjective norms and the green purchase.
3. To determine whether the perceived behavioral control influence the green purchase intention.
4. To identify whether the eco labelling influence the green purchase intention.

5. To investigate whether the price influence the green purchase intention.
6. To identify the relationship between determinant and the green purchase intention.

1.6 SCOPE, LIMITATIONS AND KEY ASSUMPTION

1.6.1 Scope

This study focused about the determinants of Green Purchase Intention in Green Product which include the environmental attitude, subjective norms, perceived behavioral control, eco-labelling and price as the independent variables and Green Purchase Intention in green product as dependent variables. This research was chooses on green purchase intention because the researcher and does the consumer aware about this condition.

For the geographic research was carries in Melaka, more specific at Melaka Tengah. This places is been chooses in this research because the researcher want to know about this places. The researcher believes that they can contributes the variety of results. The questionnaire will be distribute to the targeted respondents among the public people and the total number is 150.

1.6.2 Limitation

According to this research, there have a few limitations that must be faced to get the best results about this study. This questionnaire is given to the multiple of race people in Melaka Tengah. The researcher assume the respondent will provide the honest answer when get a questionnaires. The researcher needs to face the variety of attitude public people to get the answer of the questionnaire. Some of them were give a cooperation to answer the questionnaire.

1.6.3 Key Assumption

Throughout this research, the researcher was assuming the respondent have given the best answer based on their experiences. The respondent need to give their honest to reply the question in that questionnaire. The best research can contribute to the economy of organization in maintaining the green purchase intention.

In addition, the researcher assume the respondent has educated knowledge to give the researcher for primary data collection and has many more experiences in handling this research topic while he/she can provide the justifiable answer about their experience according to the topic.

1.7 Importance of the study

The research will be the importance to identify the determinants of green purchase intention. The data shows that a study about the determinants of green purchase intention. From the data, it can help to improve the determinants of the green purchase intention. The organization can take the feedback from them to developing a new better of the business.

Secondly, this study will help the people to aware of green purchase intention in daily life. This include by applying the green purchase intention.

1.8 Summary

The part presents the readers to the background, research question, research objectives, scopes, limitations and key assumption of this research topic all about. It also summaries the key problem that has been talked and how researcher proposed to discover. For the next chapter, it is about what are the researcher findings from the literature review that related on the determinants of green purchase intention.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter analysis connected of literature on the topic of the research. The applicable literature will be studied under the following outline: A study about the determinants of green purchase intention.

2.2 Green Product

According (Tsai, 2012) environmentally friendly products or environmentally conscious products are referred to as products designed to lessen the consumption of natural resources required and minimize the adversely environmental impacts during the whole life-cycles of these products is defined as green product.

If its production process is eco-friendly and less damaging to the environment it could be called as 'green products'. To reduce the environmental pollution in the production process, the business should be responsible for that. Raw materials that made up for products must be obtained in such a way that natural are maintained.

2.3 Green Purchase Intention

The intention of consumer purchases is known as subjectively and comprehensively subjects in consumer behavior and partly making a purchasing decision. There are many different responses to many determinants that are believed to stimulate people's intentions from around the world. Marketers, researcher and academicians are increasing conducting tests and research to identify the best determinants or approaches that can create a goal certain products to their targeted customers and tailor them where the latter may involve them in an actual purchase.

The customer's willingness and likelihood to favor environmentally friendly goods over regular products in their purchase decision are the definition of the green purchase intention and Joshi and Rahman (2015a) has agreed this definition. There is a concept that the green purchasing intentions are the probabilities and the willingness of individuals to give priority to green products rather than conventional products in their purchasing considerations. Moreover, it becomes obvious that studies often differentiate between the determinants that can influence the green purchase intention of consumers (Liobikienė et al., 2017).

2.3.1 Environmental attitude

According Barber, Taylor & Strick (2009) recognize the value of consumer attitudes towards brands, goods or services in marketing research to better predict