

IMPACT OF FACTORS AFFECTING BUYING DECISIONS TO PURCHASE ECO-FRIENDLY PRODUCTS

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***ABSTRACT-** The objective of this research paper is to analyze the influence of price, quality and friends' urge on the buying decisions of eco-friendly products. In order to measure the level of change in buying behaviors we developed a questionnaire and collected data from 200 consumers.. We used 'Likert scale' to measure the attitude of respondents. The empirical evidence of our study shows that the price of a particular product, perceived quality, Role of Media Awareness programs and friend's endorsement significantly influence the buying decision of a particular product. We recommend if level of awareness about eco-friendly products is enhanced through media, there will be large demand of eco-friendly products in Pakistan.*

Key words: Eco- friendly products, price, Awareness, Buying decision.

Type of study: **Original Research paper**

Paper received: 10.06.2020

Paper accepted 20.07.2020

Online published: 01.10.2020

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1.INTRODUCTION:

Sometimes we put together decisions which are based on our own perception and sometimes based on the opinion of our friends and relatives. These are the factors that influence a consumer's decision. After buying behavior there is another behavior which is earlier purchasing experience of consumer which affects the consumer decision. For instance, a person purchased a gift for a particular person, who is near to him or her, and a belief that the individual would like it. He gives it to the person excitedly, but unfortunately he finds that it is not like by that person. It will also change his purchasing decision.

Mainly a purchaser has experience of nervousness which can be defined as cognitive dissonance; sometimes the customer is not assured about his decision whether he/she has taken the correct decision or not. In this case psychologically result of this kind is bigger when the cost is high and substitutes have the same standards. Cultural difference also influences the purchasing decision of a consumer. The factors which influence the social class are: occupation, education, and place of residence. These factors are used for partition or alliance the marketplaces and possibly will reveal the ambitions of customers. The group with which we act together also influences our outlooks, principles, and behaviors, especially small reference groups set up standards which encourage buying choices and their words are considered to be more influential than advertising and other marketable services. Different motives are involved in purchasing and one of them is perception. It greatly influences a buyer and motivates him to buy the thing. This process is for

receiving, establishing, and passing on a sense to the incentives those are noticed by the right mind. This pressure is forced by selectivity and it is called “Selective Attention.” Selective Attention means procedure by which someone is able to selectively choose one message commencing a combination of messages happening at the same time”. One influential thing is learning. It is an extremely influential thing so as to powers shoppers’ choices. Learning means to get knowledge something high-quality or else dreadful concerning an innovative obsession that is able to reason alter in a shopper’s decision-making procedure. The most important factor is attitude in understanding shopper behavior. We can say that an attitude is a tendency to react positively or negatively towards any idea, object, person, or situation. Attitudes form over the period of time. It is deliberate to alter, plus an outstanding predictor of that performance which be able to have an effect on a shopper’s option of manufactured goods. The vital emphasis of marketing is the definitely a shopper. To develop good marketing plans, it is required to look at shopper behavioral features and needs, way of living, and purchase practices and after that market appropriate marketing-mix decisions. In the study of Shopper behavior includes: the study of what, why, how, when, from where and how commonly they buy. An open minded shopper-oriented approach is crucial in today’s speckled global marketplace so a firm can easily distinguish and give out its target market, ease dissatisfaction, and stay to the top of competitor. Social factors are also dominant factors which influence a customer’s buying behavior. It includes the clutches to which the buyer belongs to a social position. Every culture has “sub-cultures”, sets of people with fragmented principles. In sub-cultures there are nationalities, religions,

ethnic groups, or clusters of people sharing the similar geographical locality. At times, a sub-culture can create a significant and distinguishing market section of its own. For instance, the “youth culture” or “club culture” has pretty discrete values and purchasing individuality from the older “gray age group” in the same way, distinctions in social class can create shopper groups. Our foremost research problem is to examine the factors effecting buying decisions of consumers to buy eco-friendly (green) products.

1.2 Main Research problem:

The main research problem of this study is to study “the impact of factors affecting buying decisions to purchase eco-friendly products.”

1.3 Objectives of study:

The main objectives of this study are as follow;

- To study the impact of factors affecting purchasing decisions of eco-friendly products.
- To analyze the relationship between quality of an eco-friendly products and purchasing decision of a consumer.
- To examine the attractiveness of eco-friendly products to Pakistani customers.
- To analyze the mediating role of awareness creating by media about eco-friendly products?

1.4 Main Research Questions:

The main research questions of the study are outlined as under:-

- (i). How the observed quality of an eco-friendly products stimulates the buying decision of a consumer?

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- (ii) How does price of eco-friendly products influence buying decision of a consumer?
 - (iii) How regulatory authorities and government polices ensure the importance of eco-friendly products?
 - (iv) How the mediating role of awareness programs in buying decisions?

1.5 Scope of study:

The scope of this study is large because it deals with the factors that affect the purchasing behaviour of a consumer about eco-friendly products. Pakistan is a new market for eco-products and the consumers are less awareness about their importance. As such the results of this research study will be very beneficial for managers, marketers and consumers also.

2.LITERATURE REVIEW:

Awan (2013) says that promotion of eco-friendly products is a core need for sustainable development and healthy society. Today non-eco-friendly products are damaging the health of consumers and are bearing heavy cost of treatment. So the demand for eco-friendly products can be created to media campaign.

According to Chen and Chai (2010, p. 29) green marketing is defined as the activities taken by firms about environmental problems or green problems, by delivering the environmental sound goods or services to create customers' and society's satisfaction.

Welford (2000, cited in Chen and Chai, 2010, p.29-30) defined green marketing as "the management process responsible for identifying, anticipating and satisfying the requirements of customers and society in a profitable and sustainable way". Green marketing has been developing

because even if the human wants are unlimited the natural and artificial resources are limited (Kumar, 2011, p. 59). Environmental concerns became world known issues when there was much debate emerged in the 1960s in which Rachel Carson's *Silent Spring* published and examined critical concern on the sustainable and healthy environment (Marly et al., 2011, p. 329). Research on social networks has captured the effect of social influence on consumers' purchase decisions across a variety of contexts. Such an effect has been variously termed as bandwagon effect (Leibenstein 1950), peer influence (Duncan, Haller and Portes 1968; Manski 1993, 2000), neighborhood effect (Bell and Song 2007; Case 1991; Singer and Spilerman 1983), conformity (Bernheim 1994), and contagion (Van den Bulte and Lilien 2001; Iyengar, Van den Bulte and Valente 2008)..

For buying decisions, Stern (1962) recognized nine reasons that settle on the: small costs, accumulation sharing, self-service, mass marketing, high up shop display boards, low subsidiary require on behalf of a thing, small merchandise life, lesser dimensions or low weight, moreover the easiness of storeroom. One thing is common in these factors that they are all linked with the simplicity of making a purchase. Mass advertising: Product promotional activity is avital marketing tool. It can influence consumer trade behavior and the goods which have high promotions certainly have high existence of buying and on the other side the products which have little or low promotions, have lesser frequency of buying (Young and Faber, 2000; Peck et al., 2006).

3. RESEARCH METHODOLOGY:

3.1 Data and Type:

3.1.1 Primary data:

Primary data was collected from the consumers of eco-friendly products from Multan city through structured questionnaire that contains 21 questions. The data was gathered by face to face interviews, personal interviews, emails and telephones.

3.1.2 Secondary data:

The secondary data was collected from relevant books, research journals etc.

3.2 Sample of study:

Random sampling method was used in this study because of shortage of time and large population size. A sample of 200 respondents were selected for the research, of which 100 were male, and 100 were female. This sampling would give an equal opportunity to both genders to express their preferences and also to avoid any gender biasness that could mislead the results.

3.3. Variables of study:

3.3.1 Independent variables:

The independent variables of the study are the followings:

- 1.Price.
- 2.Quality.
3. Friends' urge.

4.3.2 Mediating/Moderating variables:

1. Role of Media's awareness programs
2. Government regulations.

3.3.3 Dependent variable:

1. Buying Decision.

3.4 Hypotheses of study:

Hypothesis of this study are stated as under:

H₀: Price of a product does not influence a buying decision to purchase eco-friendly product.

H₁: Price of a product influences a buying decision to buy eco-friendly products.

H₀ Product quality does not influence the decision of purchasing eco-friendly products.

H₁: Product quality influences decisions of buying eco-friendly products.

H₀ Friends' views (Associate's urge) of a person does not affect a buying decision of eco-friendly products.

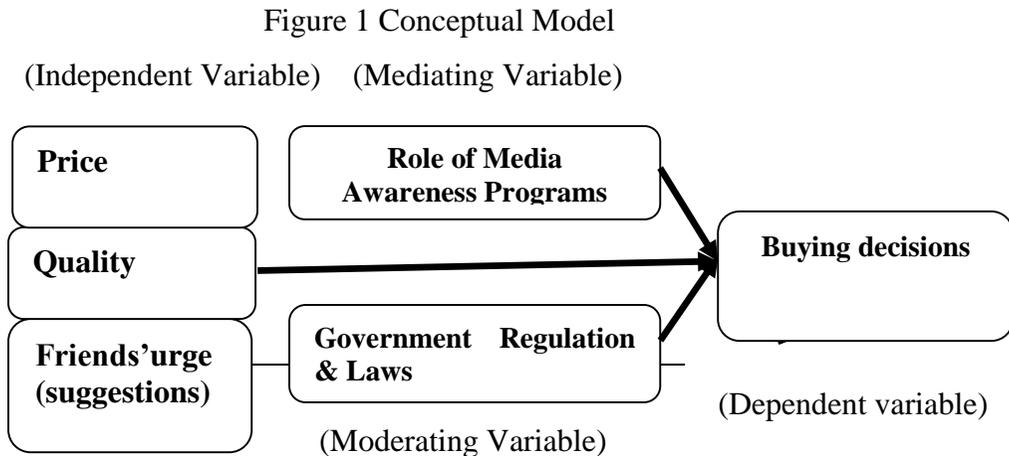
H₁: Friends' views (Associate's urge) of a person effect a buying decision of eco-friendly products.

H₀: The role of awareness programs does not motivate buyer to purchase eco-friendly products.

H₁: The role of awareness programs in motivating buyer`s to purchase eco-Friendly products.

3.5 Conceptual Model:

The proposed conceptual model showing independent, mediating, moderating and dependent variables. We have intended to measure the nature of relationship among these variables. The model is shown in Figure 1:



3.6 Analytical techniques:

- Rating method (Likert scale)
- Correlation analysis
- Regression analysis

Statistical Package for Social Sciences (SPSS 17.00) software will be used to draw the results. Cronbach's Alpha will be used for the authentication of items in questionnaire. The frequency distribution will be used for measuring and interpreting the results of questionnaire. Likert scale will be used to analyze data and draw results. Rating will have five options each of them will be assigned a value from one to five.

4.DATA ANALYSIS:

4.1 Analysis of Reliability

4.1.1 Reliability analysis for Price:

Table. 1: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No of Items
.719	.823	5

Cronbach's Alpha is .719, which is bigger than .7; it means that the data that has been collected for this study for evaluating the variable, which is Price, is reliable.

4.1.2. Reliability analysis for Quality:

Table 2: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No of Items
.935	.952	4

Cronbach's Alpha value is .935, which is more than .7; which means that the data that has been collected for this research for measuring the variable, which is Quality, is reliable.

4.1.3 Reliability analysis of Friends' urge:

Table.3: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No of Items
.942	.944	4

Cronbach’s Alpha value is .942, which is more than .7; it means that the data that has been collected for this research for evaluating the variable, which is Friends’s urge, is reliable.

4.1.4 Reliability Analysis for Role of Media Awareness Programs.

Table. 4 Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.922	.914	4

Cronbach’s Alpha is .922, which is more than .7; it shows that the data that has been gathered for this research for determining the variable, which is Role of Media Awareness Programs, is reliable.

4.4 Correlation Analysis

Table 5: Results of Correlation analysis

Variables		Price	Quality	Friends	Role of Media Awareness Programs.	Buying Decision
Price	Pearson Correlation	1				
Quality	Pearson Correlation	.954**	1			
Friends	Pearson Correlation	.725**	.583**	1		
Role of Media Awareness Programs.	Pearson Correlation	.715**	.503**	.703**	1	
Buying Decision	Pearson Correlation	.872**	.860**	.784**	.713**	1

** . Correlation is significant at the 0.01 level (2-tailed)

Table 5 demonstrates the correlation matrix of Price, Quality, Associate's urge (Friends Suggestion), role of media awareness programs and Buying Decision. The results show the level of co-relational significance between four independent and one dependent variable by bridging the different correlation coefficient values of Pearson. As per the results, the level of significance of price with the Buying Decision is 0.872. The quality is the important variable having 0.860 of coefficient of correlation at the 5% significance level, which

is also significantly correlated with the Buying Decision. The friends are also closely associated with the Buying Decision and has noteworthy coefficient of 0.784 at 5 % level of importance. It shows there is significant correlation between these two variables. In case of the Role of Media Awareness Programs, the value of 0.713 of the Pearson correlation coefficient show that there is strong correlation between role of media awareness Programs with the buying decision. In short, all independent variables have strong correlation with dependent variable.

4.5 Regression Analysis:

Regression analysis is a quantitative research method which is used when the study involves modeling and analyzing several variables, where the relationship between a dependent variable and independent variables are studied. The results of regression analysis are shown in Table 6:

Table. 6 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.932 ^a	.869	.865	.39189

a. Predictors: (Constant), price, quality, friends, role of media awareness programs.

Table 6 show the results which indicate that the value of R is 0.932 while the value R^2 is 0.869 and adjusted R^2 is 865. It shows that 86 percent variations in dependent variable is due to one unit change in independent variables. Moreover, R^2 reflects that the model of the study is goodness of fit. Here the

value of which means, that there is 86.9% variation in dependent variable due to independent variable. The standard error estimated value is .392.

5. FINDINGS AND RESULTS:

The above results show that variables such as price, quality, role of media awareness programs and friends' urge (Associate's urge) plays vigorous part in making a decision to purchase a specific product. Customers mostly consider these factors while making choices to purchase products. It is essentially important to observe the behaviors of the shoppers relating to the spectacle of taking a purchase decision.

The price being vital factor in influencing the decision to buy a particular product and it can play a dynamic role. The people in a country like Pakistan, are very price-sensitive and price plays a vital role in their decision to buy a product or service. People often purchase products that are inexpensive and also have a long term use. Buyers do not consider the trademark name of a product. It does not mean that the people are not brand sensitive. There is a group of people who are brand conscious, but the majority is inclined towards price competitiveness. Our results demonstrate that price is a significant factor for making a purchase decision. Along with the price, quality also plays an important role in identifying and opting a product and then further shaping the demand of that product by the buyer. If a product offers good quality and slightly higher price as compared to its competitors that product is a hit one in this Pakistani market. The results related to friend's opinion also plays a key role in identifying a buyer demand and his choice to purchase a specific product. The study illustrates that friends and quality both are very vital factors

that affect purchasing decisions of consumers. Media awareness campaign also shows significant effect on the purchasing decision of the consumers.

6. CONCLUSIONS:

After findings and discussions, it can be determined that price of a particular product, observed quality, Role of Media Awareness Programs and friend's endorsement, all are key elements that influence a buying decision of a specific product. These elements can increase or decrease the intentions to purchase or not to purchase a specific product. It is all about the values, perceptions, and first choices in terms of price, quality and friends of the people or the buyers. If the shopper value low price but low quality, he would buy a product as a result. But if a buyer value good quality irrespective of the price, then he would purchase a product accordingly. Similar to this, if a shopper gives significant importance to friends' opinion in purchasing behavior. We conclude from the results and that the companies producing eco-friendly products should give equal importance to price and quality of products as well as creating awareness through media campaign about the value, quality and positive effect on consumers' health. It will enhance the sale of their products in a big market of 2100 million Pakistani consumers.

7. RECOMMENDATIONS:

Keeping in views the above conclusion we would like to make following recommendations: -

1. Prices of eco-friendly products must be competitive to enable to health conscious people to purchase them.
2. Quality of eco-friendly products should be compromised and sales persons may be available to tell and convince the consumers about the importance

of eco-friendly products for their health and long life.

3. Media campaign may be launched to create awareness about the positive effects of eco-friendly products and to attract consumer towards them.
4. Government must provide financial incentives to the companies involved in manufacturing and trading eco-friendly products to enable them to market and sell their product at normal prices. The eco-friendly products will improve health of the people and reduce government spending on health care facilities.

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CONTRIBUTION OF AUTHORS AND CONFLICT OF INTEREST

This research work was carried out in collaboration between two authors.

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Both authors read the manuscript carefully and declared no conflict of interest with any organization or person.
