

Chapter 1: Introduction

This study intends to investigate the determinants of purchase intention for green personal care and cosmetic products in Malaysian. This first chapter shall focus on the background of green marketing and the emergence of green personal care and cosmetic products in current markets. The research problems, research questions, research objectives, conceptual framework, contribution and significance of this study, scope of the study and organization of the chapters of this study are presented.

1.1 Research Background

Ecological problems have been seen as the most important problems for humanity since the beginning of the 21st century, as it will certainly affect the next generations. To address this issue, governments and environmentalist have pressured businesses to utilize more ecological approaches in their business offerings. These developments have caused the introduction of green marketing (Yakup and Sevil, 2011). Ever since then, the communities have begun to be more conscious about the environment. Along with increasing demand from market, the production and supply chain processes were forced to make changes towards greener wave. In today's business world, developing environmentally friendly products have become a crucial business and marketing strategy, which is not limited to the general features of the products.

According to Longworth (2010), the growing eco-awareness around the world has created big implications for beauty industry. In 2009, Image-Power Green Brands Survey has selected greenest brands in the U.S. Burt's Bees, Tom's of Maine, Procter & Gamble, and Dove have made to the top ten in ranking. From the survey, the poll results concluded that respondents would be willing to spend more on green products in the future, secondly, they would want to buy from companies which they believe are environmentally responsible.

Besides that, according to the founder of US-based brand Organic Male OM4, Michael Bruggeman, companies that manufacture natural products tend to be projected and seen as having ethical image, which indirectly attract more environmentally conscious consumers. Bruggeman stated that in the United States, 62 percent of women buy grooming products for their male partners. This finding may help to explain the reason of growing trend for natural products which is an extension of the trend in women's skin care products (Nichol, 2011).

Seeing the big green wave, personal care giant Kimberly-Clark in 2011 has announced to adopt Forest Steward Council's sourcing standards for all its tissue products. The suppliers must be certified to standards of sustainability and environmental awareness set out by Forest Steward

Council, which will encourage more suppliers to practice responsible forest management (Pitman, 2011).

In Malaysia, the market for green beauty and personal care is still immature. According to Organic Alliance Malaysia chairman Ong Kung Wai, there is still lack of a legislative body or local certifier that governs and monitors the manufacture or import of organic skincare products in Malaysia (Poo, 2011). Enforced by the Agriculture Department (DOA) and Health Ministry, Malaysian Organic Certification Scheme (SOM) is the Malaysia's only certification board for organic food, but not skincare products. Therefore, companies in Malaysia rely on international certifiers such as Ecocert, Natrue and USDA (government-based US label for food certification) for accreditation in producing organic products.

Founded in 1991 from France, Ecocert is considered one of the most stringent certifiers for green products in the world today. They perform testing on products from manufacturing stages, cleaning and storing to disposal methods. Currently Ecocert inspects 70 percent of the organic food industry in France and approximately 30 percent worldwide. Other than food, Ecocert also certifies textiles, home fragrances, cosmetics and perfumes (Poo, 2011). To make a product being labelled as organic, Ecocert requires 95 percent of the plant ingredients of certified organic origin (Leong, 2011). In Malaysia, I-Green is the first and only Malaysian company so far to

receive Ecocert's stamp of approval for producing green and organic beauty care products.

According to Kim and Chung (2011), in order to stand out in this fast growth of organic and natural care products market, the industry has to grasp extensive knowledge of consumer behaviour rather than focusing on devising marketing strategies.

Consequently, to explore and understand more about consumer behaviour in purchasing green products, this study's main objective is to examine Malaysian consumers' purchasing intention of green personal care and cosmetics products base on the Theory of Planned Behavior (TPB) by Ajzen (1991).

1.2 Research Problem

Peattie and Crane (2005) states that much of the current research focussed on general environmental concern, but in reality it is more practical to concern about specific environmental issues which will drive the markets for specific green products. Today, few companies carried out extensive product-specific market research to ensure their products' success. According to Johri and Sahasakmontri (1998), a firm cannot expect to succeed by purely adopting "green" positioning strategy. The firm might know the trend of consumers demanding greener products, however they

might not know exactly what kind of products consumers are going to buy, what kind of price-performance trade-offs they may be willing to accept, and what marketing approach they will find respond to.

As a result, the firm might have produced the most environmentally benign products, however question arise whether these products are what consumers actually wanted (Peattie and Crane, 2005). It is foreseeable that in the long run the firm cannot establish a significant market share as they fail to conduct the right research, understand or educate their customers about what kind of green products that can really integrate into their lifestyle.

In 1994, Philips had introduced environmentally super energy-efficient light bulb to substitute traditional bulb. However the respond was not good as expected due to the product only appealed to the deepest green niche of consumers. The vast majority of consumers have yet to accept the new product as most of them have the same doubts: "If I use 'green' products, what's in it for me?" According Ottman, Jacquelyn, Stafford, Edwin, Hartman and Cathy (2006), Philips' experience provides a valuable insight on the common pitfall of "green marketing myopia". In practice, green appeals are not likely to attract mainstream consumers unless the products can offer desirable benefit, which most firms in the market fail to understand.

According to Peattie and Crane (2005), the five failed manifestations of green marketing include green spinning, green selling, green harvesting, enviropreneur marketing, and compliance marketing. To jump onto the

green bandwagon, most of the firms make post-hoc identification of environmental features in existing products, thus prompting a short-term marketing campaign to boost sales. Interest in the environmental issue tended to be limited to promotional activity, yet little or no practical input were spent on product development. The same products continued to be produced, but green themes were added to promotional campaigns in order to take advantage of any environmental concerns of consumers. Subsequently, short term benefits were generated yet the firm might lose long term loyalty among customers once the euphoria for “green” fade off eventually.

Moreover, the high tendency of green products to be perceived as premium and expensive has severely obstructed most green products mass market penetration (Peattie and Crane, 2005). According to the global Nielsen consumer report on personal grooming in 2007, the choice of health and beauty products and treatments by far is most influenced by price, followed by product’s promise and brand. Hence, in the medium to long run greening starts to look less and less of an attractive option as most of the firms are exploiting green marketing for short term benefits; eventually this particular guise of green strategy will ultimately fails should exploitation continues.

This draws the demand for more research on green consumer behaviour, as Kim and Chung (2011) states that most existing research on the organic

personal care industry has dealt with marketing strategies rather consumer behaviour. Furthermore, although there are numerous studies have delved into consumers' attitudes and purchase behaviours of green products, these researches have focused mainly on organic food products (Kim and Chung, 2011).

In Malaysia, the market of green products is still in infancy stage. According to Haron, Paim, and Yahaya (2005) study on environmental knowledge among Malaysians, most respondents possessed only a low level of complex environmental knowledge, which may not encourage them to be more actively involved in environmental activities.

The low level of environmental awareness has raised questions and challenges to marketers of green products on how to penetrate Malaysian market, as consumers have yet to develop mature green purchasing behaviour. Considering the market of green beauty products are expanding in other countries recently, marketers need to address this issue by starting to gain insights and explore the products marketability and potential in Malaysia.

1.3 Research Questions

Given that relevant research on green personal care and cosmetics products in Malaysia is limited, this study intends to examine the

determinants of intention for green personal care and cosmetics products purchasing behaviour in Malaysia. The following research questions have been derived:

1. To what extent consumer values i.e. health consciousness, environmental consciousness, appearance consciousness influence consumer's attitude towards buying green personal care and cosmetic products in Malaysia?
2. What is the relationship between consumer's attitude and their purchase intention toward green personal care and cosmetic product?
3. To what extent perceived behavioural control moderating the relationship between attitude and purchase intention toward green personal care and cosmetic products?
4. To what extent perceived behavioural control, subjective norm, past experience and brand-image perception influence purchase intention toward green personal care and cosmetic products?

1.4 Research Objectives

The main aim of the research is to provide an insight into the determinants that influence consumers' purchase intentions toward green personal care and cosmetic products. The objectives of the research are based on the Theory of Planned Behavior (TPB) by Ajzen (1991), with modified

framework suggested by Kim and Chung (2011). Following the research questions to be answered in this study, the objectives of the study are addressed as follows:

1. To investigate the relationship between consumer values i.e. health consciousness, environmental consciousness, appearance consciousness and consumer's attitude towards buying green personal care and cosmetic products in Malaysia.
2. To investigate the relationship between consumer's attitude and their purchase intention toward green personal care and cosmetic product.
3. To examine the moderating effect of perceived behavioural control between attitude and purchase intention toward green personal care and cosmetic products.
4. To investigate the relationship between perceived behavioural controls, subjective norm, past experience and brand-image perception with purchase intention toward green personal care and cosmetic products.

1.5 Conceptual framework

An adaptation of expanded Theory of Planned Behaviour model provided the theoretical framework for this research to illustrate the determinants of

intentions to buy green personal care and cosmetics products. The variables measured include consumer values, attitudes, subjective norm, perceived behavioural control, brand-image dimension (product-image and corporate-image), past purchasing behaviour and purchasing intention.

The consumer values i.e. health consciousness, environmental consciousness and appearance consciousness provide an overall measure of attitude about purchasing green personal care and cosmetic products. The attitude variable was developed to measure the degree to which a person had a favourable or unfavourable evaluation in green personal care and cosmetic products. Perceived behavioural control is related to consumer confidence in their ability and resources to purchase the products. The degree of perceived behavioural control also moderates the attitude and intention to buy green products.

Subjective norm variable is to ascertain how consumers view themselves and significant others in relationship to purchasing the green products. Brand-image dimension i.e. product-image dimension and corporate-image dimension illustrate how do green brand benefits and green corporate image affect their purchase intention. Past purchasing behaviour indicates the level of green personal care and cosmetic products acceptance currently and its relations with future purchase intention. Finally, purchase intention variable will access the strength of consumer intention to buy the

green products in the future. The proposed framework is shown on Figure 1.1.

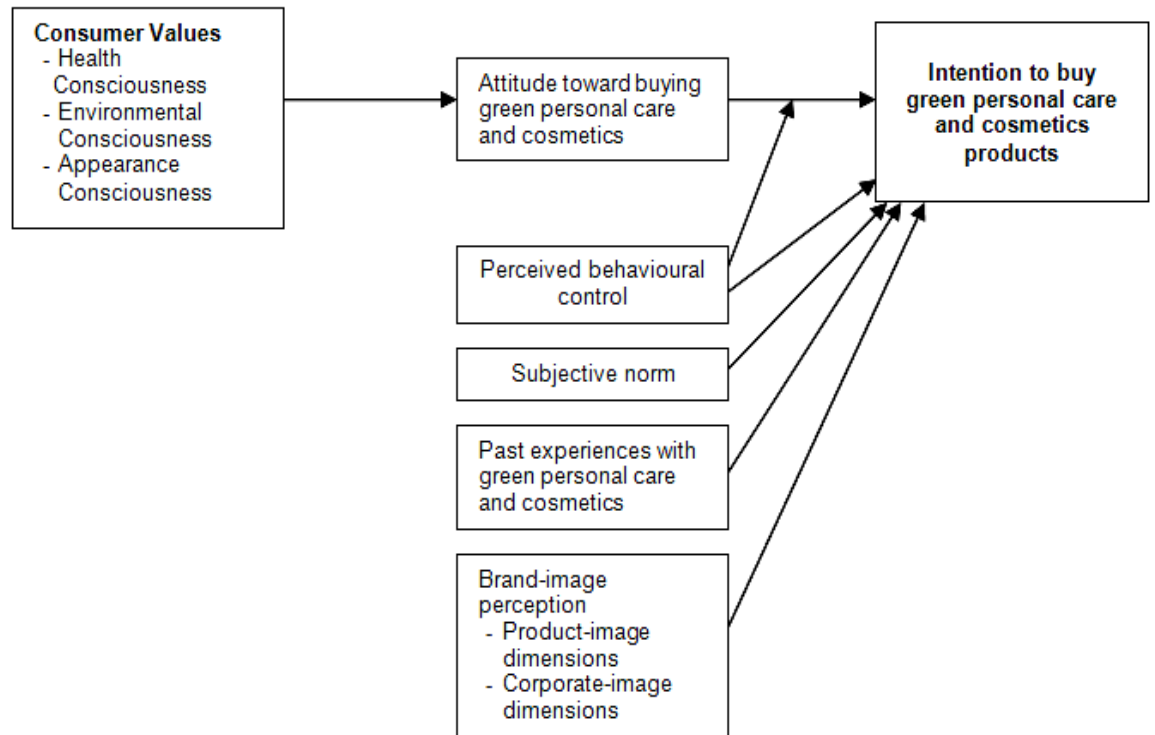


Figure 1.1 Theoretical framework

1.6 Significance and Contribution of the Study

Because of the growing interest among consumers, environmentalist and marketers regarding issues of sustainability, and yet limited research has been done on evaluating consumer behaviours associated with green

personal care and cosmetic industry, the present research was designed to contribute to a growing body of knowledge addressing this issue.

With regard to academic contribution, this research has expanded TPB model by adding brand-image into the framework to explore the influence of product-image dimension and corporate-image dimension on purchasing intention towards green products. Various researches have shown that TPB variables (attitude, perceived behavioural control and subjective norm) are useful predictive of consumer choice intention; yet limited research has shown that brand-image dimension is independently determinants of green purchase intention. Based on finding from previous research, this study suggests extending TPB model to include brand-image dimension as one of the determinants for studying green purchase intention.

In addition, by integrating different determinants from past research to study consumer purchase intention on green products, it is useful for both marketers and academics to understand more about consumer behaviour specifically in Malaysia's green beauty product industry. Although studies on the influence of green marketing on purchase behaviour have been popular in recent studies, majority of them were conducted in other countries (Murphy, Graber, and Stewart 2010; Rajagopal, 2007; Johri and Sahasakmontri, 1998; Kim and Chung, 2011; Manafi, Hojabri, Saeidinia, Borousan, 2011), and the findings are varied across countries. Therefore, the findings may only be relevant in certain cultural, time and geographical

context. Due to the complexity in consumers' green purchasing behaviour, generalization is often not meaningful under different cultural and demographical context (Rahbar and Wahid, 2011).

Besides, research on the effects of green marketing on purchase behaviour is especially important given now that the economic contributions and population in emerging Asian markets are booming compared with other matured western markets. In particular, relevant research on green personal care and cosmetics products in Malaysia is still limited. Hence this research is believed to be able to provide some insights to green beauty care marketers on how they can expand their operation in Asia especially in Malaysia.

1.7 Scope of the Study

This study focuses on Malaysian consumers that purchase personal care (bath and body, skin care, hair products) and cosmetic (make up, fragrance) products in their daily lives. The products can be either made in local or imported from overseas which sold in the market currently, and should be readily available for purchase. Their intentions to buy green personal care and cosmetic products are studied and respondents were recruited in Malaysia through online and offline methods by answering five-point Likert scale questionnaires.

1.8 Organization of the Study

The present study comprises of five main chapters. The organisation for each chapter is described as follows.

Chapter One begins with an introduction to the research. The following sections consist of research background, research problem, research questions, research objectives and theoretical framework. Significance of the study and scope of the study are also addressed.

Chapter Two reviews on previous literatures regarding green marketing and current market development of green personal care and cosmetic products. The research variables relationship and hypothesis development are explained accordingly.

Chapter Three focuses on research methodology and design. Questionnaire development, data collection method, construct measurement, sampling and data analysis procedure are discussed in this chapter.

Chapter Four discusses the findings of the research. Prior to that, pre-analysis data screening results such as normality, reliability test and factor analysis result are explained. The research outcomes which derived from multiple and hierarchical regression analysis are discussed in the end of the chapter.

Chapter Five concludes the findings and implications of the research.

Research limitations and recommendations are discussed.

Bibliographies and appendixes are attached in the end of the paper.