

Chapter 2: Literature Review

This chapter firstly introduces the concept of green marketing and explain further on the emergence of green personal care and cosmetic products in the market. Subsequently, the theoretical background of the study and each definition of the determinants for green purchase intentions shall be explored. Finally, the development of hypotheses shall be discussed.

2.1 Concept of Green Marketing

A green product can be characterised as either partially or totally recyclable product. It can be made of renewable, recyclable or biodegradable materials. Sustainable is referring to the lifecycle and origins of a product. Hence green is defined as a product or service that is both environmentally and socially responsible (Kreidler and Mathews, 2009).

According to Annick (2004), green marketing experts have defined green marketing as "A holistic management process which is responsible for identifying the needs of consumers and the community as profitable and sustainable manner and also it is responsible for forecasting and satisfaction these needs".

In Yakup and Sevil (2011) research, American Marketing Association has defined green marketing as a science that analyse on marketing studies

about pollution, the advantages and disadvantages of energy consumption and consumption of exhaustible resources. On the other hand, Oxford University Business Dictionary defines green marketing as an approach that the businesses do its production, promotion, and distribution activities that benefits the environment. In other words, green marketing incorporates a broad range of activities, including product development and modification, changes to the production process, packaging, delivery as well as modifying advertising strategy and approaches.

Yakup and Sevil (2011) states that some of the advantages of green marketing are:

- It ensures profitability and sustained long term growth.
- It helps the firms to market their products/ services and keeping the environment aspects in mind at the same time.
- It helps in penetrating into new markets and enjoying competitive advantage and differentiation.
- Employees will feel proud for able to work in an environmentally responsible company.

To ensure that green marketing campaign is successful, Yakup and Sevil (2011) point out that the green marketing must satisfy two objectives: First, the environmental quality, and secondly customer satisfaction must improve.

This is because many environmental products have become so common

and widely distributed that many consumers may no longer recognize them as green because they buy them for non-green reasons.

Chen and Lin (2011) states that no matter how much the firms become committed to environment friendliness or consumer health, corporate social responsibility has become the most important issue in contemporary business. Committed to environmental responsible can produce great impact on corporate image and social identity, as well as marketing activities. Moreover, by handling green marketing well not only the firm can sustain its core competence but also increases market share and customer loyalty.

Murphy, Graber and Stewart (2010) have conducted a survey that involved a large number of participants, some worldwide data which shows how consumers respond to green marketing across countries. The results indicate that while different countries are facing unique environmental issues, the consumers are generally accepting green marketing efforts. The study also concludes that green movement is likely to persevere despite the fact that country is facing recessionary period.

In Iran, study found that there are three factors of consumer perception affect the companies' green strategic orientation. These three factors are

environmental knowledge, demographic characteristics and psychographic characteristics. According to the findings, demographic characteristics are strongly influencing the companies' strategic orientation (Manafi et al., 2011).

2.2 Green Personal Care and Cosmetic Products

Kumar, Massie and Dumonceaux (2006) state that the cosmetic industry is a very innovative, lucrative and fast paced industry where product innovation is the key to success. Cosmetics come in many forms, ranging from powders, body makeup, soap, shampoo, and toothpaste.

According to Alice (2008), the driving trend for eco-conscious beauty is actually derived from consumer passion on natural, environmentally responsible-ingredients and organic-food movement. However, currently there are no mandated standards defining organic when it comes to cosmetics.

Due to increasing environmental consciousness, the organic cosmetics are facing exponential growth (Rajagopal, 2007). The use of organic cosmetics and toiletries manufactured from herbs and plant extracts has been popular in many developed countries. In Asia, in response to consumer's rising demand for cosmetic products with natural origins and anti-aging functions,

herbal medicinal cosmetic has been developed by some multinational firms (Hwang, 2004). Cosmetics that constitute of organic ingredients can be categorised as ecological products, thus the process of marketing such products may be explained as green marketing.

Back in late 1990s', Johri and Sahasakmontri (1998) has conducted a research on green cosmetics and toiletries in Thailand. The results shows that although companies have attempted to use green marketing strategies, Thai consumers still consider non-green attributes are more important in making their purchase decisions. This is mainly due to lack of awareness and understanding from consumers about the potential damage caused by traditional products to the environment. According to the research, marketers face extreme challenges to influence the target group to become environmentally aware, since the consumers are not susceptible to the influence of green marketing campaigns in the short term.

According to Johri and Sahasakmontri (1998), Thai consumers emphasise on critical aspects such as price and safety while making their purchase decisions for cosmetics and toiletries. Basic attributes such as "good value for money", "product performance", "safe for skin" are important because consumers may not be willing to buy green products should those attributes are compromised. For purchasing green products, Thai consumer regards

two environmental attributes as important, which are "ingredients" and "not tested on animals".

According to Rajagopal (2007) research on organic cosmetics and toiletries in Mexico, several global and local companies such as The Body Shop and General Nutrition Centre (GNC) have entered this growing market by using green marketing strategies. The study found that that strategic product positioning and effective retailing strategy can change consumers' perceptions and values towards non-conventional products or unfamiliar brands. Advertising and promotional strategies of the organic cosmetics and toiletries brands can help consumers appreciate the brand value and review their preferences against the synthetic cosmetics and toiletries.

2.3 Theoretical Background

The main aim of the research presented is to provide an insight into the determinants that influence consumers' intentions towards green personal care and cosmetic products, which are based on the Theory of Planned Behavior (TPB) by Ajzen (1991), with modified framework suggested by Kim and Chung (2011).

According to Kalafatis, Pollard, East and Tsogas (1999), the TPB is a reliable predictive model that can clearly investigate consumers' intentions to buy environmental friendly products. The TPB model is presented in Figure 2.1 to illustrate each of the determinants of intention, i.e. attitude, subjective norm and perceived behavioural control.

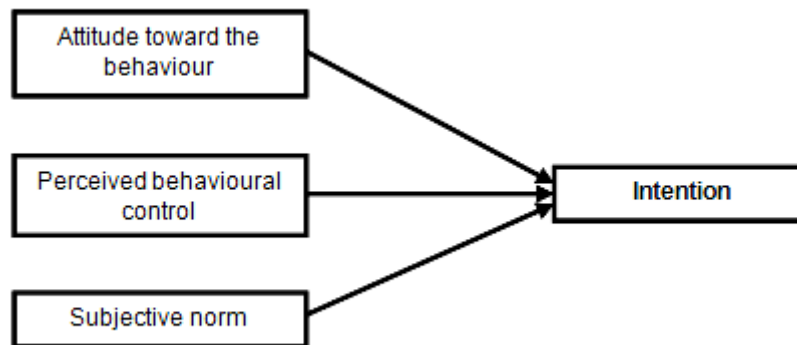


Figure 2.1: Model of Theory of Planned Behaviour (Ajzen, 1991)

2.3.1 Consumer Values and Attitude

Values provide the foundation for the development of a person's attitudes which can lead to explicit decision-making behaviour (Homer and Kahle 1988). Values can be the references that people use to judge themselves and other people, or even influence their attitudes, values and actions (Añaña and Nique, 2007). The ability of values to influence judgments and choices, oneself and other people suggests there is a relationship between values, attitude and behaviour. According to Nepomuceno and Porto (2010),

attitudes can act as mediator in the value-attitude-behaviour relationship as the possibility for direct influence of values on behaviour is small.

Hence, Kim and Chung (2011) research have proposed three consumer values that may influence attitudes toward buying organic skin and hair care products: health consciousness, environmental consciousness, and appearance consciousness. The explanations of these three consumer values as followed.

According to Vlosky, Ozanne, and Fontenot (1999), consumer awareness and beliefs about the environment and wood products' environmental certification can influence purchasing patterns. Pickett-Baker and Ozaki (2008) found that the stronger the environmental beliefs, the more likely people would make use of green products, which explains the reason why green product performance beliefs are significantly influenced by environmental beliefs. People who are environmentally concerned reported that they are more aware of green product marketing, as they found it engaging and relevant to their lifestyles.

This is more evident when Kim (2011) study found that the purchase of green products can be significantly determined by environmental concern of

the consumer. In particular, consumers' environmental concern shows to be closely related to their value systems.

Coleman, Bahnan, Kelkar and Curry (2011) also states that compared with twenty years ago, people now are more exposed to green marketing due to increasing awareness to the environment. The study suggests that consumers who understand more about environmental issues are more likely to purchase green products.

In terms of health consciousness, Ottman et al. (2006) state that concerns over exposure to toxic chemicals and drugs in daily products have made people more consider about their health and safety choice, especially among susceptible consumers, such as pregnant women, children, and the elderly. Due to most of the environmental and green products are grown or developed to minimize or prevent the use of toxic chemicals, market positioning on consumer safety and health can broadly appeal to health conscious consumers.

With regard to appearance consciousness, according to Miranda (2009), cosmetics are specialty items that can offer consumer social and self-image enhancement, thus affect their attitude towards the products

and purchase intentions. Souiden and Diagne (2009) state that due to their nature, cosmetics are considered as one of the tools that men use to enhance their self-concept and image, subsequently motivate them for cosmetics consumption. Cosmetics may improve not only the physical appearance of the men, but also psychological image by increasing their confidence level about the appearance. Featherstone (1991) reported that the use of cosmetic products is partly due to consumers' self-image consciousness and lifestyle.

2.3.2 Attitude

In this research, attitude variable act as the mediator between consumer values and purchase intention towards green personal care and cosmetic products. Añaña and Nique (2007) stated that attitude, like values, is the result of an articulated set of beliefs on certain object or situation, which influence people to respond in one way or another. Attitude is the expression of feeling if a person is favourable or unfavourable towards a certain object such as a brand, a service or an idea. Accordingly, to achieve it is important that firms understand what the consumers know and do not know regarding a product, brand, store, etc, in the same way as it is important to know what consumers like and do not like.

According to Kim (2011), study shows that environmental attitude is an important determinant of green purchase behaviour. Consumers' ecological consumption is greatly determined by their attitudes toward environmental issues. In other words, consumers with high environmental attitudes are more willing to buy green products. Vlosky et al. (1999) research also shows that consumers maybe more willing to pay premium price or extra cost to purchase wood products should they have favourable attitude towards products that have environmental certification.

2.3.3 Perceived behavioural control

Perceived behavioural control is defined as a person's perceived ease or difficulty of carrying out an intended behaviour (Ajzen, 1991). According to Shah Alam and Sayuti (2011), perceived behavioural control has two aspects: Firstly, it is how much a person has control over behaviour and secondly, how confident a person feels about being able to perform or not perform the behaviour. It is determined by the individual's beliefs about the power of both situational and internal factors to help performing the behaviour. Kim and Chung (2011) state that when people believe they have more resources such as skills, knowledge, time and money, their perceptions of control and confidence are high thus increase their behavioural intentions.

However, Kalafatis et al. (1999) states that even if the individuals have favourable attitude and positive influence of subjective norm, should they lack the necessary resources or opportunities to perform a particular behaviour they are unlikely to form strong behavioural intentions. Yoon (2007) research supports that it may not be enough to predict an individual's behavioural intention when the behaviour is not completely under volitional control, even if they have favourable attitude toward the behaviour and/or strong social pressure to engage in that behaviour. Contingency factors such as budget, product, store availability, and time constraints can also influence an individual's plan to purchase products, which is beyond the affect of individual's favourable attitude and social pressure. Vermillion (2010) also found that even though consumers claim to care about the environment, most of them will only make green purchasing decisions when there are immediate and tangible benefits other than being more environmentally friendly. Hence it is believed that even if the consumers concern about the environment, they will only intend to buy green products provided that they have sufficient resources, knowledge and control to purchase those green products.

2.3.4 Subjective Norm

Coleman et al. (2011) have defined subjective norm as a function of the individual's beliefs that referent others (influential individuals or groups)

think he/ she should or should not engage in a particular behaviour coupled by the individual's willingness to comply with these referents or not. For example, if social expects the person should perform the behaviour in question, then the individual would be more likely to do so (Shah Alam and Sayuti, 2011).

The strength of the normative influence by referents such as family and social groups on purchasing decisions is actually depends on the characteristics of the product (e.g. luxury rather than a necessity, publicly displayed or used in private), the vulnerability of the consumer and the coercive power of the group to which the consumer belongs (Hoyer and MacInnis, 2004).

Kalafatis et al. (1999) state that subjective norm can controls one's behaviour in a way that the person desires to act as others think he or she should act. Sometimes, socially worthy acts such as recycling of paper and bottles can bring internally feel of self respect or pride, while failure to act may invoke feelings of shame or self-reproach. As such, Kalafatis et al. (1999) suggest that this consciousness reflected by the fact that social norms and the desire to conform to these norms will significantly influence the purchase of green products.

Ewing (2001) research also found that social norms are important motivator of ecologically responsible behaviour. Qader and Zainuddin (2011) states that one of the social influences - media exposure has significant influence on purchase intention of lead-free electronic products (green electronics) amongst lecturers in Malaysia.

2.3.5 Past Experiences

According to Pickett-Baker and Ozaki (2008), the efforts involved in purchase decision making can be influenced by past experiences of a product, price and brand loyalty. Weisberg, Te'eni and Arman (2011) state that knowing the effect of past experience in purchasing behaviour is important because existing consumer behaviour is different from newcomers.

Dickson (2000) found that past purchasing experience with a socially responsible company is a significant determinant of future purchase intentions. For example, consumers having purchased a pair of jeans from a socially responsible company will demonstrate greater intentions to purchase again from the same company.

2.3.6 Brand-Image Perception

Keller (1993) have defined brand image as a set of perceptions about a brand reflected by the brand associations held in consumers'

memory. Brand image is an important determinant of purchasing behaviour because it contributes to the consumer's decision making whether the brand is suitable to him/her. It will also influence consumers' subsequent buying behaviour in the future (Bian and Moutinho, 2011).

According to Hsieh, Pan, and Setiono (2004), a successful brand image can enables consumers to identify the needs that the brand can satisfies and differentiate the brand from its competitors. Moreover, a successful brand image can increases the likelihood that consumers will purchase the brand in future. To form an overall brand-image perception, Hsieh et al (2004) research has adopted three brand concepts - Product-related Brand-image dimension, Country Image dimension and Corporate Image dimension.

According to Hsieh et al (2004), Product-image dimension is constituted of three brand benefits and associations: (1) functional benefits, (2) symbolic benefits, and (3) experiential benefits. A brand with functional benefits is designed to satisfy consumers' needs of solving consumption-related problems. A brand with symbolic (or social) benefits is designed to fulfil consumers' desires for self-enhancement, group membership, role position or ego identification. Finally, a brand with experiential benefits is one designed to fulfil consumers' desires for sensory pleasure, variety, or cognitive stimulation.

According to Hsieh et al. (2004), Corporate-image dimension works as a summary or inference information in the consumer decision-making process by transferring consumers' favourable attitude from the corporation to the product or vice versa. Lin and Lu (2010) state that corporate image can help consumers obtain a better understanding of the products offered by a firm and diminish their uncertainty while making buying decisions. Karaosmanoglu, Elmadag Bas and Zhang (2011) have defined corporate image as a person's overall evaluation of an organisation. According to them corporate image, behavioural loyalty and intentions are interlinked and when consumers possess favourable attitudes towards a company, their behavioural intentions tend to be favourable as well.

Nichol (2011a) states that being seen as 'green' is becoming a fundamental element for all brands, according to the findings of the 2010 Imagepower Green Brands Survey that involved 9,000 people in eight countries including France, Germany, China and Brazil. The survey shows that cosmetics and personal care brands scored highly when consumers identified green brands from a pre-set list. Besides, the survey also shows that 75 percent of respondents in the US will buy products from green companies, and 35 percent claimed they will spend more on green products in the coming year.

According to Yong, Kim, Claussen and Tae (2008), consumers will be more likely to have favourable purchase intentions if they are aware of the firm

and hold a positive image of them. One study in 2008 showed that the green core competence of firms has positive effects on their green product innovation performance, green process innovation performance, and green image. The result also showed that green product innovation performance and green process innovation performance are positively correlated with the firms' green image (Chen, 2008).

Davis (1994) study show that a corporate specific message can generates more positive response when consumers already believe that the corporation is concerned about the environment. The research has provided insights and direction for marketers to consider using the environmentally-themed advertising as a mean to improve their corporate and product image and thus increase consumers' intention to purchase their products. To be exact, in order to make the advertising campaign be successful, the focus of the advertisement should reflect the nature of consumers' current perceptions of the corporation.

2.3.7 Purchase Intention

According to Coleman et al. (2011), intention is the likelihood that a person will engage in a specific behaviour. Intention is the best determinant of behaviour; therefore, to change a specific behaviour one must first change the intention to perform that behaviour. However, this theory has failed to

explain irrational or impulsive behaviours. Some studies findings show that behavioural intention does not always lead to actual behaviour when an individual's control over the behaviour is incomplete. Hence for this present research, purchase intention shall be studied.

2.4 Hypotheses Development

An adaptation of expanded Theory of Planned Behaviour (TPB) model provided the theoretical framework for this research. The variables measured include consumer values (health consciousness, environmental consciousness and appearance consciousness), attitudes, subjective norm, perceived behavioural control, brand-image perception (product-image dimension and corporate-image dimension), past purchase experience and purchase intention. The proposed hypotheses are shown on Figure 2.2.

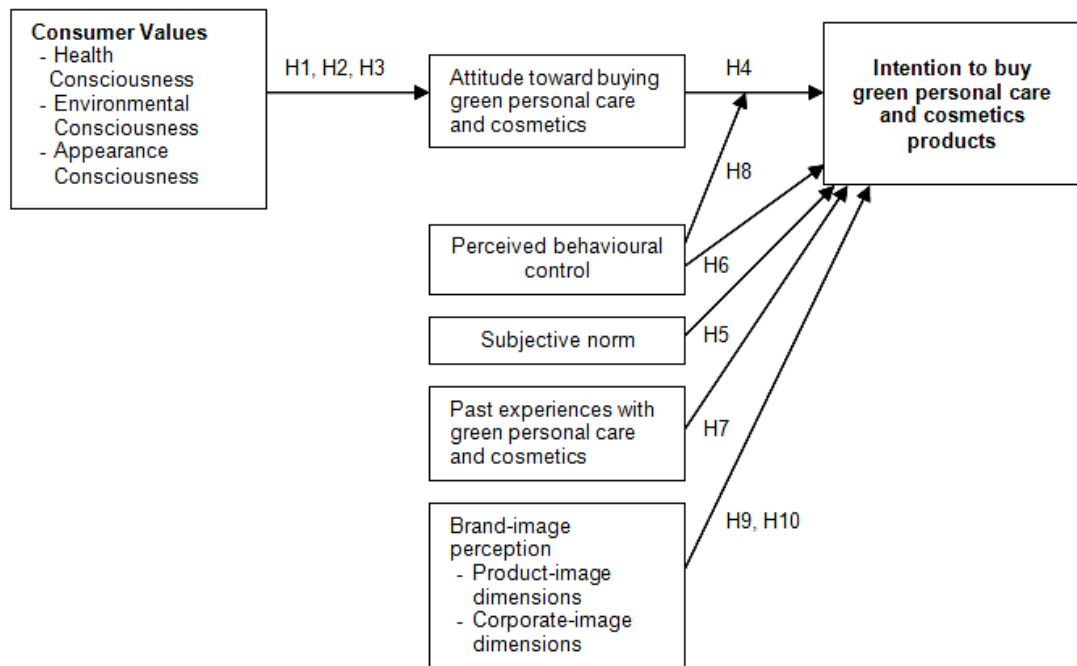


Figure 2.2: Development of Hypotheses

Based on literature review, the foundation of a person's attitude is based on the person's value which influences their decision making behaviour. This is evident as Pickett-Baker and Ozaki (2008) found that people that possess strong environmental beliefs will be more likely to purchase green products, as these products that engaged and relevant to their daily lifestyle have enhanced their attitude towards green products. In addition, the attitude towards green products is also influenced by people's health consciousness value. The current widely use of toxic chemicals and artificial ingredients in daily products has made people more prudent on deciding choice of health and safety products (Ottman et al., 2006). Besides, cosmetic and personal care products are items that can offer social and self-image enhancement

(Miranda, 2009). Thus it is believed that consumers' attitude on green personal care and cosmetic products are influenced by value of appearance consciousness. The use of natural, organic and environmental-friendly ingredients has made consumer more confident on the quality and performance of the products, hence people that conscious about their appearance is more likely to choose green cosmetic product, as they believe it is more effective in offering better skin and facial treatment. Hence, the following three hypotheses have been developed:

Hypothesis 1: Health consciousness will positively influence attitude towards buying green personal care and cosmetics products.

Hypothesis 2: Environmental consciousness will positively influence attitude towards buying green personal care and cosmetics products.

Hypothesis 3: Appearance consciousness will positively influence attitude towards buying green personal care and cosmetics products.

A person's favourable and unfavourable feeling towards a specific object is the expression one's attitude (Añaña and Nique, 2007). Nepomuceno and Porto (2010) state that as the likelihood for direct influence of values on behaviour is small, attitudes can act as mediator in the value-attitude-behaviour relationship. Research shows that consumers will be more willing to pay high price for environmental products should they have favourable

attitude towards these items (Vlosky et al., 1999). Hence Hypothesis 4 is proposed as follow:

Hypothesis 4: Consumers' attitude toward buying green personal care and cosmetics products will have a positive influence on their intentions to buy green personal care and cosmetics products.

Past researches found that consumers' subjective norm is significantly influence green purchasing behaviour (Kalafatis et al., 1999; Ewing, 2001; Qader and Zainuddin, 2011). As evident by Kalafatis et al. (1999) study, the desire to conform to social norm will influence a person's green purchasing behaviour, as consumers think socially worthy acts can bring external and internal self-respect. Thus, Hypothesis 5 is proposed as follow:

Hypothesis 5: Consumers' subjective norms will positively influence their intentions to buy green personal care and cosmetics products.

Kim and Chung (2011) state that consumer' purchase intentions toward green products is high should people feel that they have ample resources to buy those products. According to Shah Alam and Sayuti (2011), perceived behavioural control which represents a person's belief on the easiness to perform is important in predicting behaviour. Hence, Hypothesis 6 proposed that consumer's intention to buy green personal care and cosmetic products

is influenced by the degree of perceived behavioural control towards the products.

Hypothesis 6: Consumers' perceived behavioural control over buying green personal care and cosmetics products will have a positive influence on their intentions to buy green personal care and cosmetics products.

Based from past learning on the product effectiveness and usability, consumers' past experience can affect consumer's effort involved in making future purchase decision (Pickett-Baker and Ozaki, 2008). Dickson (2000) study found that green purchasing intention is influenced by consumers' past experience with socially responsible company. Thus, Hypothesis 7 is derived as below:

Hypothesis 7: Consumers' past experiences with other green personal care and cosmetics products will positively influence their intentions to buy green personal care and cosmetics products.

According to Kalafatis et al. (1999), if consumers lack of necessary resources, they are unlikely to form strong purchase intention even if they have favourable attitude towards the products. Yoon (2007) and Vermillion (2010) support the findings as they found that contingency factors such as money, availability, time constraint can affect the purchasing plan even though consumers have favourable attitude towards to the products in the first place. As such, hypothesis 8 is proposed as follow:

Hypothesis 8: The greater perceived behavioural control is, the stronger the positive relationship between attitude and intention to buy green personal care and cosmetics products.

According to Bian and Moutinho (2011), consumer's future buying behaviour is greatly influenced by the brand image perception. Hsieh et al (2004) propose that brand image is comprised of Product-image dimension and Corporate-image dimension. Product-image dimension encompasses brand benefits such as functional, symbolic and experiential benefits which can influence consumers' preference and intention to buy specific product. Besides, Corporate-image dimension is a person's evaluation of the company and helps diminish uncertainty while buying product from the firm (Lin and Lu, 2010; Karaosmanoglu et al., 2011). When consumers hold favourable corporate image, their purchase intention tends to be favourable as well. Thus, Hypothesis 9 and Hypothesis 10 are derived as follow:

Hypothesis 9: Consumers' perception on the product-image towards green personal care and cosmetics products will positively influence their intentions to buy green personal care and cosmetics products.

Hypothesis 10: Consumers' perception on the corporate-image will positively influence their intentions to buy green personal care and cosmetics products.