Chapter 8

Correlations Between Awareness of Green Marketing, Corporate Social Responsibility, Product Image, Corporate Reputation, and Consumer Purchase Intention

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ABSTRACT

This research aims to assess the correlations between awareness of green marketing, corporate social responsibility (CSR), product image, corporate reputation and consumer purchase intentions toward green products. A self-administered questionnaire was utilized for data collection among a set of 250 respondents located at the Federal Territory of Labuan, Malaysia, who had purchased green products over the last six months. Pearson correlation values revealed that awareness of green marketing, corporate social responsibility, product image, and corporate reputation are significantly associated with consumer purchase intentions of green products. Indeed, CSR has the strongest linkage with significant positive correlation coefficients for consumer purchase intentions of green products, followed by product image and awareness of green marketing, respectively. Furthermore, consumer purchase intentions of green products are minimally associated with corporate reputation. Directions for further work are also presented.

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INTRODUCTION

The growth of retail stores in Malaysia is increasing on a yearly basis, most of which are built in commercial city centres and inside shopping malls. Shopping for green products at various stores such as grocery retailers, hypermarkets and supermarkets portray different store images and consumer prestige that it connected with a person shopping at a specific retail store (Sethna & Blythe, 2016). Businesses implementing green marketing practices, environmental management systems, and waste minimization; and integrating environmental issues into business activities, gain a unique competitive advantage in consumers’ minds. As a consequence, consumers are further engaged to increasing environmental protection, reducing environmental pollution, and boosting the conservation of natural resources towards a natural ecological balance in the global ecosystem. Their reputation and image is strengthened by owning international standards/ regulations such as International Standard Organization (ISO) 14001 series and the EU Eco-Management and Audit Scheme (EMAS). Retailers express their awareness of green marketing, eco-friendly (or “going green”) commitment by introducing “No Plastic Bag Day” campaigns on selected days, and reducing paper usage. These socially responsible green marketing programs affect consumers’ acknowledgements in reinforcing corporate image and reputation.

Discoveries by several researchers such as Gonçalves, Lourenço, and Silva (2016), Mobrezi and Khoshtinat (2016), and Ritter, Borchardt, Vaccaro, Pereira, and Almeida (2015), affirm that the function of a green product impacts consumer buying decisions, in which their satisfaction, loyalty, and repurchase intentions are developed when consuming high quality green products. However, research on green marketing in developing countries such as Malaysia is lacking compared to Western countries (Ko, Taylor, Wagner, & Ji, 2008; Lee, Hsu, Han, & Kim, 2010; Lung, 2010; Moon, 2007). Hence, this research aims to assess correlations between awareness of green marketing, corporate social responsibility (CSR), product image, corporate reputation and consumer purchase intentions of green products in the context of Malaysia.

This paper is structured as follows. The succeeding section reviews the related literature, and presents the projected hypotheses. Section 3 describes the methodology, while a discussion on the data analysis is elaborated in Section 4. The final section presents the conclusion and directions for future research.

LITERATURE REVIEW

This section reviews the literature on green marketing, CSR, product image, corporate reputation and consumer purchase intentions of green products.

Green Marketing

Green marketing is related to a firm’s concern about the environment by transporting environmentally sound goods or service for consumers’ satisfaction (Polonsky, 2011; Pujari & Wright, 1996; Soonthonsmai, 2007; Stephen & David, 1993). Green marketing contributes to the development of consumer awareness toward environmental issues, and in turn consumers switching over to green product consumption and “green lifestyles”. Earlier studies on green marketing by Norazah (2015), Norazah, Norbayah, and Nur Shahirah (2016), and Pino, Amatulli, De Angelis, and Peluso (2016), noted that when consumers have high awareness of the green marketing activities by a particular company, including CSR, it influences