



Green consumer values: Consumer's lifestyle towards eco-friendly products and purchase intention in the Fast Moving Consumer Goods (FMCG) sector

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Abstract

Green consumer values are an upcoming trend in today's developing world since most people are highly concerned about the concept "go green". The main reason behind that is that present customers pay more attention to eco-friendliness and become more environmentally responsible than past decades because it creates the sustainability of the environment. Over the past few decades, the consumers' green consumer values were not highly considered concept even in fast-moving consumer goods (FMCG) sector. This paper aims to better understand the effect of green consumer values on the consumers' purchase intention in the FMCG sector. It tries to build on consumer lifestyle literature to gain more insights on how these green consumer values, including environmental and health consciousness, affect consumer lifestyle and purchase intentions. The sample consisted of 152 respondents representing consumers in Colombo district. The structured questionnaire and partial least squares path modelling (PLS) were used to collect and analyse it. The tested hypothesis on consumer lifestyle was not statistically significant with purchase intention and other two hypotheses on environmental consciousness and health consciousness were statistically significant. The study's findings imply that managers in the corporate world can use this study to increase their competitive advantage as people are presently very concerned about environmental issues. When applying green values, the companies have to comply with the consumers' needs and wants. Consumers want to recognize themselves with green compliant companies and are willing to pay more for a greener lifestyle. For this reason, green values are not only an environmental protection tool but also a marketing strategy. Further research using both consumer and marketers viewpoints is needed to confirm the present results to better assess possible green value-added process differences.

Keywords: environmental consciousness, green consumer values, health consciousness consumer lifestyle and purchase intention

Introduction

Customer's consciousness towards environment and health is one of the numerous topics nowadays due to environmental issues such as global warming, reenergized, water pollution and health problems spreading through over the world recently. Today, the most significant problems associated with



environmental issues and health concerns are the consumer's consumption pattern (Wills & Stafford, 2016). In order to make a world with lack of pollution, the consumer should be more environmentally responsible and the awareness of the consumers should be enhanced than past because environmentally responsible and health-conscious consumer plays a significant role in achieving sustainable and healthy world. Therefore customers tend to buy eco-friendly and healthy foods even the prices are high (Tzschentke, 2008). With the increment of awareness towards environmental issues, organizations tend to review the environmental impact of their operational activities and products (Ling, 2013). Furthermore, the business on green products such as organic food items has started to grow in the fast-moving consumer goods (FMCG) sector. That can be considered as a sustainable growth as a country. However, the increment of awareness about environmental issues and eco-friendly products usage has also grown globally (Rashid, 2009). The global concern about the environment due to increasing deterioration and media exposure has led to the development of eco-friendly products and a growing environmentally conscious marketplace. The business on green products such as environmentally friendly and healthy foods has started to grow in the consumer market (Ling, 2013). The number of restaurants and stalls which sell organic food items such as “Helabojun” food courts conducted by the Agriculture department in Sri Lanka has increased rapidly. However, with the enhancement of environmental issues and eco-friendly businesses, consumer concern towards eco-friendly products increases considerably.

Over the past few decades, the consumers' green consumer values were not a highly considered concept. However, due to the increasing environmental pollution, water scarcity, poor management of waste, biodiversity loss, and other environmental issues, the concept green consumer values become a more trending concept today. Most of the researchers have conducted their researches based on green marketing and purchase intention. Nevertheless, in most studies, green marketing is based on the green marketing mix and the link between the marketing mix elements (Morel & Francis, 2012). They have not considered green consumer values such as environmental consciousness and health consciousness impact on green FMCG products' purchase intention. Furthermore, some researchers (Fraj & Martinez, 2006; Kim & Chung, 2007) have identified the positive relationship between green consumer values and purchase intention. However, they have not revealed how the consumer lifestyle impacts the purchase intention of green FMCG products. According to (Morel & Francis, 2012), they have revealed consumer attitudes towards the eco-friendly products in the FMCG sector, but they have



not stated how the green consumer values impact the consumer lifestyle. Even though most of the researchers have conducted their research based on green consumer values, they have not specially identified the impact of the main green consumer values such as environmental consciousness and health consciousness on the consumer's purchase intention through consumer life style.

Previous research has done their research in the context of the wine market, organic food, and organic personal care products (Thach & Olsen, 2004; Michaelidou & Hassan, 2008; Kim & Chung, 2007) are only few kinds of research conducted for the FMCG sector. Moreover, another one of the important gaps identified by the researcher is that the researches based on the main two concepts such as, green consumer values and purchase intention are published highly in the western context and there are only a few researchers have conducted in the Srilankan FMCG sector based on the above concepts. Therefore, limited studies have been done to understand the impact of green consumer values on purchase intention through consumer life style in FMCG sector. Based on the gaps mentioned above in the green consumer values, the following research question was formulated: How does the green consumer values impact the consumer's purchase intention in the *FMCG sector through consumer life style*?

Theoretical considerations and empirical evidence

Purchase intention

According to Mirabi et al., (2015), 'Purchase intention is a kind of decision-making that studies the reason to buy a particular brand by consumer'. Further, factors such as attitudes, knowledge, and value have gained focus in much research when considering consumer purchase intention. In addition to those factors, green marketing practices have gained much attention, and most people tend to be concerned about green consumer values and purchase environmentally friendly products. The social intention of the consumer is directly affected by the attitudes of the customer. Moreover, in the organic food context, attitudes are concerned with purchase intention (Michaelidou & Hassan, 2008). The theory of purchase intention is a suspension of the theory of reasoned action made necessary by the original model's limitations in dealing with behaviors over which people have incomplete volitional control. The theory of reasoned action cannot deal with behaviors that require resources, cooperation, and skills in response to the criticism about the model (Chiou, 1998).



Environmental consciousness

Environmental attitudes, environmental concern, socio-demographic characteristics, personality, environmental knowledge, and environmentalism are some of the variables commonly used by researchers to explain the degrees in the environmental consciousness and pro-environmental behavior of consumers (Sharma & Bansal, 2013). In the last decade, there has been an increase in awareness within society concerning social and environmental issues, prompting firms to examine the responsibilities placed on their shoulders. As a result, a growing number of firms have incorporated sustainability into their strategies and operations. Buysse and Verbeke (2003) argued that firms associated with a broad range of stakeholders tend to proactively execute environmental strategies. Moreover, a positive correlation was found between primary and secondary stakeholders and environmental strategies. Thus, the way that managers perceive environmental issues depends on the demand for a broad range of stakeholders (Huang & Kung, 2011). The idea of environmental consciousness relates to how the clients utilize their scarce resources and satisfy their limitless wants by respecting the environment (Chen & Chang, 2012; Limbu, 2012). To put into viewpoint, Polonsky (1994) defined environment-friendly activities as “all actions planned to create an aid any interactions proposed to gratify human wants and needs, such that the pleasure of these wants or needs happens, with the least negative effect on the ecosystem” (Misra & Panda, 2017).

Health consciousness

The theoretical framework of the Health Belief Model is used to explain and predict health behaviors by focusing on attitudes and beliefs, and is one of the most widely used frameworks to understand health behavior. Studies have applied the Health Belief Model constructs to explain health behaviors such as preventive screening, vaccination, and contraception use (Wills & Stafford, 2016). Consumers have become more conscious of the nutrition, health, and quality of their food, and healthiness has become an essential criterion for food purchases. Therefore, the demand for organically grown produce has increased. The increasing number of studies reveals that a consumer’s health concern is the most commonly stated motive to choose organic foods (Chen, 2009). “Health consciousness” refers to consumers’ understanding of health status changes and the degree of emphasis on health requirements. Many consumers believe that organic food contains higher levels of nutrients. Past studies have shown that consumers that buy organic food are more responsible for their health. Health and food safety are the two chief reasons



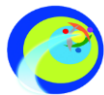
consumers opt for organic products (Hsu, 2015). Health conscious consumers tend to discount messages about functional food's health value and show preferences for organic food. In contrast, skepticism towards health claims has a higher negative homogenous impact on functional, organic, and conventional products' perceived healthiness compared to health consciousness (Degutis, 2017).

Consumer lifestyle

"Lifestyles" can be defined as "the consistent patterns that people follow in their lives, including how they spend their time and money and are identified through people's activities, interests, and opinions of themselves and the world around them" (Sharma & Bansal, 2013). Many marketing professionals link attitude and personality to lifestyle. It can be greatly influenced by socio-cultural changes, such as concern over health, environment, aesthetics, life-balance, and many other issues. Two examples of wine lifestyle linkages that can be found in the literature are wine as part of a healthy lifestyle and wine as part of a luxury lifestyle (Thach & Olsen, 2004). Values and lifestyles are psychographic variables that provide clear direction to identify ecological consumer segments. In this case, the researcher finds the research that utilizes psychographic variables to define the ecological consumer profile and declared the relationship between the variables and ecological behavior (Fraj & Martinez, 2006).

Green consumer values

Green consumers are defined as those who tend to consider the environmental impact of their purchase and consumption behaviors. As such, consumers with more vital GREEN values will tend to make decisions consistent with environmentally sustainable consumption (Haws & Winterich, 2013). According to Bailey et al., (2016), green can enhance understanding of consumers' green attitudes and intentions. Green consumption values impact how Indian consumers respond to advertising and public relations stimuli, as green influences perceptions of green brand trust, attitudes toward green marketing communications, and green brand support and purchase intentions. According to Straughan and Roberts (1999), they exhibit low levels of green lifestyle behaviors. Also, only a low positive relationship appears to exist between consumers' environmental value and their green lifestyle behavior. Moreover, Thai consumers' green lifestyle behavior is mainly driven by their egoistic and social-altruistic values.



Methodology

The research strategy used the conclusive research design in descriptive research where the necessary data are collected through a single cross-sectional design. Using the conceptual framework as illustrated in figure 1, the researcher explained how much the independent variable can impact the dependent variable. Under this research design, the study attempts to test the following hypotheses; H1: There is an impact of environmental consciousness on consumer lifestyle, H2: There is an impact of health consciousness on consumer lifestyle, and H₃: There is an impact of consumer lifestyle on consumer purchase intention. This study focuses on the fast-moving consumer goods (FMCG) sector in Sri Lanka and data were collected from both males and females who visited the places where the eco-friendly products are sold in the Colombo district. The items on a scale to measure the environmental consciousness (06) were adopted from Straughan and Roberts, (1999), health consciousness (05) adopted from Ahadzadeh et al., (2018), consumer lifestyle (05) adopted from Thach and Olsen, (2004) and purchase intention (05) were adopted from Hsu (2017).

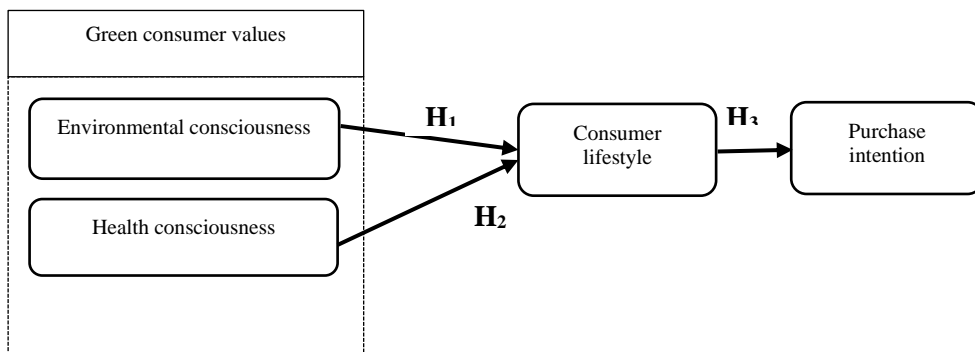


Fig 1. Conceptual Framework

The data collection had happened during from August 2019 to December 2019. The achieved sample consists of 152 questioners. The overall response rate was 36%. This study, therefore, uses PLS to process the data because of sample size is somewhat small. Demographic data analysis has done through the SSPS and 82 respondents were male and that was 53.9%; 70 were females that was 46.05%. The education level of the respondents was as follows, 30 respondents were passed the ordinary level that was 19.73%, 58 were passed the advance level that was 38.16%, 42 were graduates that was 27.63%, .10



were postgraduates that was 6.58%, and 12 having other educational qualifications that were 7.89%.

Results and Discussions

This study applies Lohmoller's (1989) extended the PLS algorithm and bootstrapping to evaluate the PLS path model. The overall percentage of explained variance (R^2) is 0.55 for purchase intention. All the hypotheses in the theoretical model are positive and statistically significant in the expected direction except the consumer lifestyle. Even though inter-functional coordination statistically not significant, there is a positive relationship. Hypothesis 1 states there is a positive influence of environmental consciousness on consumer lifestyle. Data support this hypothesis ($\beta=0.68$, $t=6.37$, $p < 0.000$) in harmony with the postulated theory, results show that a firm's magnitude of environmental consciousness has a positive and statistically significant effect upon consumer life style. Hypothesis 2 states there is a positive influence of health consciousness on consumer life style. This hypothesis is supported by the data ($\beta = 0.616$, $t = 7.11$; $p < 0.000$).

The finding indicates that the effect is in the expected direction and that the effect is positive and statistically significant. Hypothesis 3 states there is a positive influence of consumer life style on purchase intention. This hypothesis is partially supported by the data ($\beta = 0.20$, $t = 1.46$; $p < 0.14$). The finding indicates that the effect is in the expected direction and that the effect is statistically not significant. The study mainly examines the impact of green consumer values on the FMCG sector's purchase intention, Sri Lanka. It is imperative to consider green consumer values by any organization and how green value-added activities lead to the customers' purchase intention. After all, that is the most suitable way to achieve the organization's goals and objectives while earning fair profits and maintaining profitable relationships with customers. There is a positive impact from all these behavioral components and except for consumer life style all others are statistically significant. So, green product manufacturers should be more focused to improve or enhance consumer life style. This study's finding can provide valuable information for the people managing the FMCG sector to review their measure of environmental consciousness, health consciousness, consumer life style, and purchase intention. Conclusion this provides details to the managers to more focus on providing efficient service strategies by organizing awareness programs and adding values to the customers to face a competitive advantage. According to the study, the policymakers and the government can get the information to develop the industry guidelines and procedures to gain more income through the industry and service expansion.



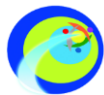
They can provide the institutional facilities/training to enhance the value addition to the customer service and face the competitive advantage as the industry compared with other countries. Policies should be more industry-friendly because the FMCG sector is highly important to improve consumers' living standards with country potential.

Conclusions

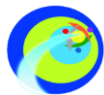
This study has conducted only for the FMCG sector to measure green consumer values' impact on purchase intention. So this is industry-specific. The effect of qualitative factors had not to capture in this study. Also, this study considers only customers in the Colombo district in Sri Lanka. When selecting the sample, this study was limited to the Colombo district and hundred and 152 consumers selected. Those are the critical limitations in this study. Future researchers can overcome those limitations, especially they can use the qualitative factors and the quantitative factors. Researchers who are interested in further study can study the qualitative factors because in this study, they use only quantitative factors. The study is also believed to provide good guidelines for the researchers for further study of the impact of green values on purchase intention, including the different mediating variables.

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