

Does the consumer behavior influence the production of green products? An exploratory analysis of the consumer behavior and production of green products.

Abstract

Purpose – To find the factors influencing the consumer behavior and analyze their impact on production of green products.

Design/Methodology/Approach – A questionnaire survey is used to know the consumer behavior and purchase intention towards green products. Partial Least Square-Path Modeling approach is used for structural equation modelling to know the causal relationship among the various factors.

Findings - The result shows that the perceived quality and cost of the product influencing the consumer behavior and purchase intention towards the green consumptions. Beside these two factors green initiatives, advertising and promotion, and social welfare also play a great role in influencing the consumer towards the use of green products.

Research Limitations/Implications: This study may help the manager to link the various factors with production of green products as presented in the structural equation modelling according to the path coefficient, factor loading, and different useful statistical values. The findings are based on the responses of 112 respondents only. A large section of the people may be involved in the survey to get more accuracy.

Originality/value – The findings are based on the opinion of the end user and the practicing people in the industry. The primary source of information is used for establishing the relationship using structural equation modelling.

Keywords: Partial Least Square Path Modeling, Structure Equation Modeling, consumer behavior, purchase intention, green product production.

Paper type – Research paper

1. Introduction

The idea of green manufacturing emerges around 1970, still, it is not popular especially in a developing country. But increasing environmental decadence perforce the practitioners as well as researchers to consider this issue on priority. The various business activities such as sourcing,

manufacturing, logistics, and marketing are also somehow connected with the major environmental problems (Ali et al., 2011). But, because of different consumer responses to different sustainable green strategies (Borin et al., 2013), the business organizations not able to accurately understand the consumer behavior towards green products causing poor green product development strategies (D'Souza et al., 2007). Albeit, consumers' pressure on the protection of the environment compelled the business organization to think about ecofriendly products to introduce alternatives of conventional products such as introduction of green design, green manufacturing, green packaging or supporting causes-related promotions. The worldwide unmanageable and anti-environmental consumption forced society also to change their consumption and purchase behavior for improvement of environmental sustainability (Jaiswal and Kant, 2018). The consumer behaviors are generally linked to the consumption pattern which should not damage the natural environment and cause pollution (Paço et al., 2019). The environmental responsiveness of an organization motivates the employee, increases the market share and brand loyalty of customers, and helps to remain competitive in the market (D'Souza et al., 2006). However, Barbarossa & Pastore, (2015) found that environmentally friendly product's consumption is a costly affair and it leads to reduced profit margin of the organizations.

The knowledge about green consumers and their characteristics, higher prices and poor quality of the products are the key issues that have to be addressed for the development of green products. It has been observed by the organizations that the actual demand is much less than the demand based on the consumers' attitude using traditional market research (Chandon et al., 2005). The people's behavior concerning recycling, energy saving, buying environmentally friendly products depends upon the degree of his environmental anxiety (Bamberg, 2003). In formulating the incentives to change consumer behavior, it is necessary to understand the motivators and inhibitors of green consumer behavior.

Consumer behavior towards the utilization of green products is one of the important factors to affect the production of green products. A lot of work has been done in this field, but the depth study of the factors responsible for green consumerism, specifically in the perspective of developing countries is still not been covered much. Moreover, the present study strives to fill the research gap by operationalizing and validating the relationship of green production and consumer intentions.