Available online at www.researchparks.org

IJEFSD

RESEARCHPARK



Journal homepage: www.researchparks.org/

Marketing Stimulus and its Impact on Green Product Purchase Intention of Customer: with the Mediating Role of Customer Attitude

M. S. Ishar Ali

Department of Business and Management Studies Trincomalee Campus, Eastern University, Sri Lanka

M. Siraji

Department of Accountancy Sri Lanka Institute of Advanced Technological Education

ABSTRACT

The main aim of this study is to investigate the impact of marketing stimulus on customer intention to purchase green products and customer attitude, as well as to examine the mediating role of customer attitude between marketing stimulus and green product purchase intention. A survey was used to gather information from the residence of ampara district, total of 350 questionnaires were issued and 310 responses were received. The proposed model was tested using structural equation modeling, and confirmatory factor analysis was used to assess the reliability and validity. The main finding of this study is that the marketing stimulus influences consumer intention to buy green products and customer attitude positively, while customer attitude fully mediate the relationship between marketing stimulus and green product purchase intention among respondents.

ARTICLE INFO

Article history: Received 28 April 2021 Received in revised form 16 May2021 Accepted 21 May 2021

Keywords: Marketing stimulus, customer attitude, purchase intention

© 2021 Hosting by Research Parks. All rights reserved.

I. Introduction

Environmental deterioration paved the way for marketers to thing about green marketing, producing green products which are environmentally safe and it became a global issue. Green marketing is described

E-mail address: info@researchparks.org

Peer review under responsibility of Emil Kaburuan.

ISSN (electronic): 2620-6269/ISSN (printed): 2615-4021 . Hosting by Research Parks All rights reserved.

by the American Marketing Association (AMA) in three ways: "the marketing of goods that are assumed to be environmentally safe," "the production and marketing of products designed to reduce negative effects on the physical environment or to enhance its quality," and finally, it is described as "organizations' efforts to manufacture, promote, package, and reclaim goods in a way that is environmentally conscious or responsive."

According to Thoria (2018), businesses use green marketing for a variety of purposesmainly for the purpose of facing competition, increasing their profitability; and the business sector is increasingly involved in social obligations. Furthermore, customer preferences are shifting, as well as, the pressure from the regulatory and competitive forces, it became critical for businesses to consider green marketing strategies (Ramayah et al., 2010)

All marketers today face the challenge of influencing customer purchasing behavior in favor of their market offerings, as well as how the consumer's surroundings affects them, and how consumer motivation and decision strategies differ between products to products in the same category (Qausar et al., 2020; Singh, 2012).

There are several studies on consumer behavior in relation to the environment, but the majority of them focus on one or two marketing stimulus elements and do not connect the reasons that marketers use to persuade customers to purchase green goods with their attitudes toward these products. Furthermore, previous research findings on consumer attitudes toward environmentally friendly goods has shown mixed results. For example, some studies revealed that customers assume conventional products are of higher quality than eco-friendly products, while others found the opposite. (Ramayah et al., 2010; Ansar, 2013). In some studies we can find that consumers attitude and intention to buy them are influenced by different marketing stimulus in different level (Conin et al., 2011; Awan 2011; Thori et al., 2017; Thoria, 2018).

The study's main goal is to look into the effect of marketing stimulus, specifically marketing mix components, on consumers' intentions to buy green products, as well as the mediating role of customer attitude in the fast moving consumer goods industry.

2. Literature Review

The stimulus-response model is a good place to start when trying to understand buyer behavior. The consumer is exposed to marketing and environmental stimuli. Certain purchasing decisions are influenced by the buyer's characteristics and decision-making process (Kotler & Keller, 2012). Customers' five senses are manipulated by marketing stimulation, which pushes and pulls them toward certain goods or brands. Companies that use marketing stimuli in an efficient manner maximize their sales opportunities. The marketing mix is a marketing tool that includes the four Ps: price, product, location, and promotion. Those are the most important factors in deciding a marketing offering by the

company (Kotler & Armstrong, 2018).

A product is the item offered for sale with the intention of satisfying the needs and wants of customers which needs to be relevant and functionally able to do what it is intended to (Panjaitan, 2019). Items sold by businesses may be tangible or intangible in nature (Kotler & Keller, 2012). Product and service characteristics are often influenced by a their ability to meet and satisfy customer needs (Laura et al., 2018).

The amount of money charged when purchasing a product, or the amount of value that customers exchange in to get benefits by using the particular product is referred to as price (Kotler & Armstrong, 2018). The clearest aspect of a marketing strategy to change is the price. The price is a payment condition for goods that is based on the willingness of customers to pay (Panjaitan, 2019; Qausar et al., 2020). While price is not a single significant factor that influence the customer decision making, instead prices may encourage customers to bring it into the minds of customers when comparing the alternatives provided by players in the industry (Ragohaman, 2017; Reni et al., 2014; Sunardi & Anas, 2016).

A place is a physical location where an organization or its operations take place. A company's location is described as a place where it can function and carry out all of its operations (Ola et al., 2013). The location is where the organization selects, manages, and manufactures a product or distribute their market offerings to the target market (Singh 2012; Azzadina et al., 2012; Panjaitan et al., 2019).

The practice of an organization in communicating the benefits of their market offerings in order to convince the target market to purchase the product is known as promotion (Reni et al., 2014). Even if the company's product is of excellent quality, if the target market is unaware tof the market offerings of one particular firm then they would be skeptical (Wongleedee, 2015; Yaty et al., 2017). One of the important element in the marketing mix for a business to inform about their product or persuade their target market or remind them about the its goods is promotion. (Sunardi & Anas, 2016; Qausar et al., 2020).

Customer attitude can be characterized as an individual's favorable or unfavorable feelings toward a product or service. As we all know, people with a good mindset are more likely to purchase a product, which leads to the likelihood of enjoying or ridiculing it. Customer attitude is described as a set of values, beliefs, and attitudinal loyalty toward a specific product or service. and consist of cognitive, affective and conative components in it (Chifmen & Kanuk, 2010).

Purchase choices should only be taken when there are many other options from which to choose whether or not to make a purchase (Kotler & Armstrong, 2018). There is no such thing as a buying decision if there are no other options available. Before deciding on a purchase, the consumer must go through five stages before coming to a decision, as well as post-purchase (Kotler & Keller, 2012). Customer decision whether to continue or not with the particular marketer can emerge after their trial of firm's product, they may feel satisfied or dissatisfied with what they tried, and so the purchase decision

E-mail address: info@researchparks.org Peer review under responsibility of Emil Kaburuan.

ISSN (electronic): 2620-6269/ISSN (printed): 2615-4021 . Hosting by Research Parks All rights reserved.

of customers with regard to one product can still be related with their attitude towards it (Schifmen & Kanuk, 2010).

3. Research Methodology

This study uses a quantitative research approach and was conducted in the Ampara district to determine the impact of marketing stimulus on consumer purchasing intentions for green products, with customer attitude serving as a mediating factor. According to the district secretariat's population statistics, population includes anyone in the Ampara district who is between the ages of 20 and 60 which includes more than 350,000 people including males and females live within the age range mentioned. The population in this study is dispersed across the Ampara district, and the number is high enough that conducting studies on the entire population will take a long time and cost a lot of money. As a result, to save time and money, this study employs a simple random sampling technique. The number of samples analyzed in this analysis was 350 respondents, based on the above estimate as stated by (Sekeran & Bougue, 2013).

The data was collected using a questionnaire that was split into two parts. The first section contains demographic information, while the second section contains contract measurements. The study used a five-point Likert-type rating scale, with 1 indicating strong agreement and 5 indicating strong disagreement. Data collected was analyzed using SPSS 23.0 and AMOS soft-wares. 310 questionnaires received out of the 350 issued, overall response rate was 88.5%. Structural Equation Modelling (SEM) was used to measure the effect of exogenous variable called marketing stimulus on endogenous variable called green product purchase intention.

Conceptualization, Development of hypotheses and Measurement of Variables

A product is a collection of features assembled into a single recognizable form, and general goods include attributes, branding, support facilities, labeling, and packaging. If a marketer wishes to capitalize on the opportunity, then they must use these elements to fulfill the needs of the consumer. (Laura et al., 2018). Also seemingly insignificant changes to a product's attribute can be determining factors in the product's success or failure. In industry, more emphasis is placed on developing successful marketing campaigns, and the company must have a better understand of the goods and services it is providing to its target customers (Reni et al., 2017; Qausar et al., 2020). It's critical to demonstrate that the goods or services provide the benefits that consumers expect. The most important variables are thought to be product consistency and variety. Customers are more likely to buy environmentally friendly goods when placing an order. (Ramayah et al., 2010; Thoria et al., 2017).

Each product has a value that specifies how much money the customer would need to purchase the merchandise (Kotler & Armstrong, 2018). Price also acts as a resource allocator, determining what would be manufactured and who will acquire the goods or services offered, and shoppers will research

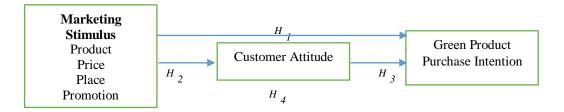
prices before making a purchase (Juhora, 2020). Buyers expect a fair price when they go for shopping, indicating that price has an impact on whether or not they buy things (Azzadina et al., 2012).

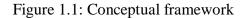
Customers are influenced by the place where the products available because most consumers are very reluctant to travel too far to purchase anything, instead they choose conveniently possible options (Panjaitan, 2019). Marketers who want to transfer their goods quickly must also take a large role in the marketplace (Reni et al., 2014; Singh, 2012). Customers would favor green products if they are readily available. The green space should ensure that the commodity is readily available by distributing sufficient stocks to channel members (Ramayah et al., 2010; Awan 2011).

According to Panjaitan et al. (2019), marketers must improve their existing contact with consumers go for green products, and price, quality are more relevant as important as environmental responsibility. Furthermore, according to Cronin et al., (2011), marketers need to ensure that green marketing practices are integrated rationally, particularly if they are used in positioning or promotional activities.

One's attitude is the most important determinant of buying behavior, hence, marketers pay close attention to their customers' attitude, therefore, the most important dimensions of consumer actions must be understood by a marketer. It is also important for them to understand how attitude is organized in order to influence customers with their marketing stimulus. Marketers must consider how views form and change if they want to influence customers through direct marketing. (Schiffman & Kanuk, 2010).

Below, Figure 1.1 illustrates the conceptual framework of the study developed for this research based the previous literature survey. All the variables of this study were operationalized previous researches, mainly the marketing stimulus were adopted from (Juhora, 2020; Qausar et al., 2020; et al., 2017; Sulaiman Wongleedee , 2015; Reni et al., 2014; Ola Owomoyela et al., 2013) and the green product purchase intention was adopted from (Thoria, 2018, Thoria et al., 2017; Anas et al., 2016; Reni et al., 2014)





Based on the above literature survey and conceptual framework, the following hypothesis were developed and tested.

 H_1 : There is a positive relationship between marketing stimulus and green product purchase intention H_2 : There is a positive relationship between marketing stimulus and customer attitude.

 H_3 : There is a positive relationship exists between customer attitude and green product purchase intention H_4 : Customer attitude mediates the relationship between marketing stimulus and green product purchase intention

4. Data Analysis

Descriptive statistics

310 responses received out of 350 were subjected to descriptive statistics using frequency analysis based on the demographic characteristics of respondents which includes gender, age, occupation and income. Accordingly 78% of the respondents are female while the 28% are males. Around 45% of the respondents falls in the age category of 30-39 and 22% of them were in the age range of 40-49. Most of the respondents were government servents which includes 42% others employed in private sector around 25 and the rest involves in self-employment. Around 63% of the respondents' income falls between 51 000 – 60 000.

As per the findings of normality test and the standard probability map, the data is distributed along the diagonal line. Furthermore, the findings of the Kolmogorov Smirnov test reveal a significance value of 0.261, which is greater than 0.05. Multicollinearity was not occur since the VIF value for each variable that has met the criteria of VIF value below 10 and tolerance value > 0.

Measurement of model: Reliability analysis

Five items were utilized to measure each construct, for a total of twenty items to measure the marketing stimulus, which included product, price, location, and promotion. Cronbach's alpha was 0.877 for these twenty items. Six measures were used to assess customer attitude, and six items were used to assess the likelihood of purchasing green products. Customer attitude has a Cronbach's alpha of 0.901, while green pro has a Cronbach's alpha of 0.916.

A good consistency, according to Sekaran & Bougue (2013), is 1. It is regarded low and consequently unsatisfactory if the reliability rating is less than 0.5. As a result, all of the results above 0.5 are regarded legitimate and usable.

Measurement of model: Validity analysis

The confirmatory factor analysis (CFA) was evaluated in this study using a structural equation

model to determine the overall measure of model. The real aim of the measurement model is to assess convergent and discriminant validity in preparation for further analysis (Fornell & Larcker, 1981). Convergent validity refers to the likelihood that all items in a measurement model should validate with one another. The study's convergent validity was assessed in the first step by examining the value of factor loadings (λ), which had to be statistically significant and greater than the minimal criterion of 0.60, The average variance retrieved for all measurement items should be larger than the minimal criterion of 0.50, and composite reliabilities should be better than 0.80. (Fornell & Larcker, 1981). Hair et al. (1998) claim that all factor loading of components must be more than 0.6 in order to be considered practical. To test the convergent validity, in measurement model, all the loading items of marketing stimulus lies between 0.831 - 0.926, CR 0.914, AVE 0.711, Similarly, factor loadings of green product purchase intention fall between 0.825 - 0.927, CR 0.864, AVE 0.831. So, these results indicate that measurement model meets the criteria of convergent validity.

The discriminant validity is also assessed in this research. The degree to which a construct is actually distinguishable from other constructs in the study is referred to as discriminant validity. It indicates that a latent variable should be able to explain the variation of its own indicators better than other latent variables or an indicator's loading on the latent variable to which it is allocated should be higher than its loadings on all other latent variables. The square toot of AVE must be larger than the squared correlations between constructs when assessing discriminant validity, according to (Hair et al., 1998). As seen in Table 1, the square root of average variance retrieved is more than the correlation of constructions, implying discriminant validity. Both convergent and discriminant validity contribute to stronger construct validity to proceed for further analysis.

Variable	MST	ATT	GPI	
MST	0.843			
ATT	0.782 ***	0.894		
GPI	0.721 ***	0.801 ***	0.911	

Table 1. Discriminant Validity Measures

The analysis in this study also evaluated the model's fitness by calculating, absolute fit measures: $X^2 / df = 1.531$, GFI = 0.915, RMSEA = 0.030. Incremental fit measures: NFI = 0.922, AGFI = 0.912, CFI = 0.925. According to Hair et al., (1998) cut off values of these measures for absolute fit measures: $X^2 / df \le 2: \le 5$, GFI ≥ 0.90 , RMSEA $\le .05$. Incremental fit measures: NFI ≥ 0.90 , AGFI ≥ 0.90 , CFI ≥ 0.90 . According to the above analysis, the measures implies that all values meet acceptable standards of fit indices, indicating that the model is fit and hence appropriate for testing the hypotheses.

Testing of hypotheses

Table 2 shows the findings of the structural model that used standardized path coefficients to represent the link between variables. The first hypothesis (H₁) claims that there is a link between marketing stimulus and green product purchasing intent. The effect of marketing stimuli on green product purchase intention is 0.781 (p < 0.001), implying that hypothesis (H₁) is supported. Likewise, hypotheses H₂ indicates that marketing stimulus and customer attitude have positive relationship ($\beta = 0.635$), and H₃ states that customer attitude and green product purchase intention have positive relationship ($\beta = 0.701$). All these relationships are statistically significant at (p < 0.001).

(β)	Hypotheses	Estimates	P _ Value	SE	Results
	$H_1:MST$	0.781	0.011	0.025	Accepted
	H ₂ : MST > ATT	0.635	0.030	0.031	Accepted
	H ₃ : ATT > GPI	0.701	0.000	0.068	Accepted

Table 2: Hypothesis testing – Direct Effect

Using customer attitude as a mediating variable, Table 3 shows the indirect impact of marketing stimulus on green product purchase intention. The effect of marketing stimulus on green product purchase intention is reduced from 0.781 to 525, but it is not significant at p > 0.05, As a result, it seems that customer attitude fully mediates the relationship between marketing stimulus and green product purchase intention.

Table 3: Hypothesis testing – Indirect Effect

Hypotheses	Estimates	P – SE	Results
	(β)	Value	
H ₁ : MST > GPI	0.525	0.072 0.046	Not Significant
H ₂ : MST > ATT	0.523	0.020 0.067	Significant
H ₃ : ATT > GPI	0.479	0.000 0.052	Significant

5. Finding and discussion

The study's findings have caused alarm in three ways. To begin with, marketing stimulus had a strong and favorable impact on customers' intentions to purchase green products in the Ampara area, which demonstrates how successfully marketing stimulus factors such as product, price, place, and promotion combined to attract people to green products. This finding is backed up by (Ragohaman & Vasantha, 2017; Laura et al., 2018; Panjaitan et al., 2019). Second, in the Ampara district, mediating variable consumer attitude has shown a positive and substantial link with green product purchase intention. Finally, customer attitude fully mediates the influence of marketing stimuli on green product

purchase intention.

The findings of the study illustrate how marketing stimuli influences green product purchase intention through the mediating function of consumer attitude. Only a few research have looked into the effect of marketing incentives on customer purchase intentions for green products (Ramayah et al., 2010; Cronin, 2011; Awan, 2011; Ansar, 2013; Thoria et al., 2017; Thoria, 2018). This study proposes a theoretical model to bridge the fundamental gap, confirming that blended product, price, place, and promotion not only directly influence the relationship with green product purchasing intention, but also indirectly influence the relationship through the mediating role of consumer attitude.

The findings of this study are in line with prior research, which found that creative and highquality green products can entice people to buy them (Juhora, 2020; Laura et al., 2018; Oyeniyi, 2013). According to the findings, the price of a green product has an impact on consumer purchasing intentions. The results indicate that consumers will consider prices of green product when they purchase them which in line with the findings of (Wibowo, 2019; Sanju et al., 2020Customers' intentions toward green products are influenced by marketing communication, and green product marketers have been able to attract customers with minimal promotion efforts since customers are already aware of the importance of sing green products continues to play an essential part in influencing their attitude toward purchasing them, as they prefer to acquire green items from nearby merchants. This finding is similar with the findings of (Anas & Sunardi, 2016; Vikas et al., 2014; Sing, 2012)

6. Conclusion and Limitations

The goal of this study was to look at the effects of marketing incentives on consumer purchase intentions for green products, as well as the function of customer attitude as a mediating factor. The product, price, place, and promotion were all used as marketing stimuli. The findings revealed that the variables marketing stimulus and customer attitude have a positive association with green product purchase intention, with customer attitude entirely mediating the association between marketing stimulus and green product purchase intention.

Based on the outcomes of this study, it is advised that green product features be improved in order to meet customer expectations. Green product marketers must modify their prices by analyzing their competitors' prices and adapting price to the quality of their green product. Developing a more effective promotion plan based on the use of the proper message could be more effective and efficient and would increase the brand recall by the customers.

To correlate customer attitude and green product purchase intention, the authors focused solely on the marketing stimuli, which includes the 4Ps. There are other more elements that influence consumer attitudes about green product purchasing intentions, both positively and negatively. Another issue of this study is that it was sample might not be representative well as it was from a specific area of Sri Lanka.

E-mail address: info@researchparks.org

Peer review under responsibility of Emil Kaburuan.

ISSN (electronic): 2620-6269/ISSN (printed): 2615-4021 . Hosting by Research Parks All rights reserved.

With a larger number of samples, the results would have been better. More research can be done to determine the impact of additional variables or factors on customer attitudes and green product purchasing intentions.

References

- 1. Ansar. N., (2013). Impact of Green Marketing on Consumer Purchase Intention. *Mediterranean Journal* of Social Sciences, 4 (11), 650-655
- 2. Awan. U., (2011). Green Marketing: Marketing Strategies for the Swedish Energy Companies. *International Journal of Industrial Marketing*, 1(2), 1-19
- Azzadina. I, Huda. A.N., & Sianipar. C.P.M., (2012). Understanding Relationship between Personality Types, Marketing-mix Factors, and Purchasing Decisions. Procedia-Social and Behavioral Sciences 65, 352–357. <u>https://www.sciencedirect.com/science/article/pii/S187704281205118X</u>
- 4. Schiffman. L., & Kanuk. L., (2010). Consumer Behavior, 10th Edition. Pearson Education.
- Cronin. J.J., Smith. J.S., Gleim. M.R., Ramirez. E. & Martinez. J.D., (2011). Green Marketing Strategies: An Examination of Stakeholders and the Opportunities they present. *Journal of Academy of Marketing Science*, 39 (1), 158-174.
- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39-50. ttp://dx.doi.org/10.2307/3151312 Hair, J. F., Tatham, R. L., Anderson R. E & Black. W., (1998). Multivariate Data Analysis, 5th edition. London: Prentice Hall International.
- 7. Juhora J. J., (2020). Significance Of Extended Marketing Mix On Purchasing Via E-Commerce. *international journal of scientific & technology* research. 9(02). 4079 4083
- 8. Kline, R. B. (2010), Principles and Practice of Structural Equation Modeling. The Guilford Press.
- 9. Kotler.P, & Armstrong.G., (2018) Principles of Marketing, New Jersey: Pearson Prentince Hall
- Laura. E., Susi. E., & Dina. P., 2018). The Effect of Marketing Mix Satisfaction on Purchase intentions of GM Brand Helm on Students of State University of Padang. *Advances in Economics, Business and Management Research*, 64, 743-749
- Ola Owomoyela, S. K., Olasunkanmi, S. &, Oyeniyi, K. O. (2013). Investigating the Impact of Marketing Mix Elements on Consumer Loyalty: An Empirical Study on Nigerian Breweries PLC. *Interdisciplinary Journal of Contemporary Research in Business*, 4(11), 485 - 496
- Panjaitan. E, Sinulingga. S., & Wibowo. RP., (2019). The effect of marketing mix on consumer purchase decision on bright gas product in Medan (study in PT Pertamina (Persero) marketing operation region I). *International Journal of Research and Review*, 6(10), 205-212
- Qausar E. P., Zeplin J. H. T., Rismawati Br S., & Sanju K. S., (2020). The Impact of Marketing Mix on the Consumer Purchase Decision in the Surabaya - Indonesia Hotel Residence. SHS Web of Conferences 76, 1-https://doi.org/10.1051/shsconf/20207601038

- 14. Ragohaman. N, & Vasantha. S., (2017). Influence of Market Stimuli on the Consumer Purchase Decision of Steel. *Journal of Advanced Research in Dynamical and Control Systems*, 9 (14), 2173 2181
- Ramayah, T., Lee, W.J. & Mohamad, O. (2010). Green Product Purchase Intention: Some Insights from a Developing Country. *Resources, Conservation and Recycling*, 54(12), 1419-1427. doi:10.1016/j.resconrec.2010.06.007
- Reni. D. K., Teddy. O., Rooswhan. B. U., & Vikas. K., (2014). The Influence of 7P's of Marketing Mix on Buying Intention of Music Product in Indonesia. *Proceedia Engineering* 97 (2014) 1765 – 1771. doi: 10.1016/j.proeng.2014.12.328
- 17. Singh., (2012). Marketing Mix of 4P'S for Competitive Advantage. *Journal of Business and Management*. 3(6), 40-45.
- Sunardi, Jabal T. I., & Anas. T., (2016). Analysis The Effect Of Marketing Mix In Purchasing Decision Of Growing Up Milk (Gum) On Three Socio-Economic Classes In Malang. *Agricultural Socio-Economics Journal*, Volume XVI, 87-96.
- Thoria. O. M., Siddig. B. I., Abdel. H. A., & Abbas. B., 2017). The Influence of Green Marketing Mix on Purchase Intention: The Mediation Role of Environmental Knowledge. *International Journal of Scientific & Engineering Research*, 8(9), 1040 – 1048
- 20. Thoria. O. M., (2018). Impact of green marketing mix on purchase intention. *International Journal of Advanced and Applied Sciences*, 5(2), 127-135. <u>https://doi.org/10.21833/ijaas.2018.02.020</u>
- Wongleedee. K., (2015). Marketing Mix and Purchasing Behavior for Community Products at Traditional Markets. Procedia-Social and Behavioral Sciences 197, 2080–2085. <u>https://translateyar.ir/wpcontent/uploads/2018/12/10.1016_j.sbspro.2015.07.323.pdf</u>
- 22. Yaty Sulaiman, Maha Mohammed Yusr & Khairull Anuar Ismail (2017). The Influence of Marketing Mix and Perceived Risk Factors on Online Purchase Intentions. *International Journal of Research in Business Studies and Management*, 4(9), 30-40