

# **An Exploratory Study of the Impact of Green Brand Awareness on Consumer Purchase Decisions in Ghana**

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*The study determines Ghanaian consumers' awareness of green marketing issues and whether it impacted on their purchase decisions. 200 respondents were interviewed from 4 satellite markets within Accra. The findings indicate that Ghanaian consumers have a low level (15.5%) of awareness of green marketing issues and it affected the purchase decision of only 7%. Price was ranked ahead of green concerns as influencing purchase decisions. It was established that younger consumers are more likely to be influenced by green issues. Ghanaian consumers' awareness of green issues can be enhanced if green brands producers and campaigners develop strategic promotional activities.*

## **INTRODUCTION**

Green marketing is a major trend in modern business (Kassaye, 2001). Increase in customer awareness about environmental issues and strict regulations introduced by national governments, especially in industrially developed countries brought the demand for ecological products into sharp focus (Polonsky et al., 1998, Prothero, 1996). The late 1980's saw green marketing become the subject of a great deal of academic research. There was increased environmental awareness, a growing consumer interest in green products, and a pronounced willingness to pay for green features (Roper Organization, 1990; Mintel, 1991; Worcester, 1993). In a 1992 study of 16 countries, more than 50% of consumers in each country, other than Singapore, indicated they were concerned about the environment (Ottman 1993). A 1994 study in Australia found that 84.6% of the sample believed all individuals had a responsibility to care for the environment. 80% indicated that they had modified their behaviour, including their purchasing behaviour, due to environmental reasons.

By the mid-1990s interest in green consumerism began to slow down. Mintel's (1995) follow-up report on the environment recorded only a slight increase in green consumers since 1990. The frequency and prominence of green claims was also found to be in decline, and green products looked to have achieved only limited success (Wong et al., 1996). However, Garau et al, 2005, observed that the market for green brands is growing exponentially at global level. Unfortunately, not many studies have focused on consumer perspective and marketing strategies that can move them from just concern to actual purchase. Marketing literature recognizes that consumers play a significant role in influencing organizations and markets (Rivera-Camino, 2007). Despite the huge interest in green marketing by researchers and environmental campaigners, demand for green brands is not as high as expected. Mintel's

(1995), identified a significant gap between concern and actual purchasing – a picture replicated in subsequent management research (Wong et al., 1996; Peattie, 1999; Crane 2000).

There is growing concern about green issues in Ghana. The Ghana Government through the Environmental Protection Agency (EPA) regulates the operations of organizations to preserve the environment and also create awareness about green issues ([www.epa.gov.gh](http://www.epa.gov.gh)). Individual firms are also taken up green marketing issues. For instance, Kamsak Ltd, a local agent for G products-Green Earth Technologies, Inc (GETG-PK) is promoting the use of green products and has adopted the slogan “Don’t be left out, THINK GREEN” according to information accessed on their website ([www.kamsak.com](http://www.kamsak.com)). GETG-PK is an American company that produces a wide range of green products including engine oils, anti fog and rain repellent chemicals. Local manufacturing firms are equally involved in green issues. For example, Fan Milk Ghana Limited’s (producers of Dairy products) objective is to use materials and processes in an environmentally sustainable manner, conserve resources and prevent the pollution of air, water and land. For example, the company pays a recycling firm in Ghana to collect damaged products, shred, clean and recycle the packaging materials of these damaged products ([www.fanmilk-gh.com](http://www.fanmilk-gh.com)).

Studies on green marketing issues in Ghana are limited. It is therefore important that these studies be done in Ghana to determine the specific situation of the Ghanaian consumer. Consequently, it is worth investigating the level of awareness and its impact on customer purchase decision. It is anticipated therefore that this initial investigation would enable companies and campaigners appreciate the level of patronage of green brands in Ghana. With this knowledge, companies can formulate appropriate marketing strategies to promote their green brands and green marketing campaigners enhance their campaign strategies. Hence the objectives of this study are:

- To determine the level of consumer awareness of green brands in Ghana
- To determine whether green brand awareness impacts on customer buying decision
- To ascertain whether demographic characteristics impacted on green brand purchasing

## LITERATURE REVIEW

While green marketing came into prominence in the late 1980s and early 1990s, it was first discussed much earlier. The American Marketing Association (AMA) held the first workshop on "Ecological Marketing" in 1975. The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing" (Henion and Kinnear 1976). Since that time a number of other books on the topic have been published (Coddington 1993, and Ottman 1993). Green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising (Polonsky, 1994). Green consumerism is often discussed as a form of ‘pro-social’ consumer behaviour (Wiener and Doeshner, 1991). It may be viewed as a specific type of socially conscious or socially responsible (Antil, 1984) Consumer behaviour that involves an ‘environmentalist’ perspective and may thus be called ‘environmentally concerned consumption’ (Henion, 1976). Henion, 1976, describes green consumers as ‘environmentally concerned consumers’. Others see green marketing as the promotion of products with environmental characteristics (Polonsky, 1994). Polonsky postulates that consumers’ most often associate green marketing with terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and Environmentally Friendly are.

While these terms are green marketing claims, in general, green marketing is a much broader concept it could be applied to consumer goods, industrial goods and even services (Roberts and Bacon, 1997). According to Polonsky (1994), green marketing consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment. Despite the increasing eco-awareness in contemporary market economies, it is generally recognized that there are still considerable barriers to the diffusion of more ecologically oriented consumption styles. According to Davis (1992), and Polonsky (1994), increased use of Green Marketing is dependent on five possible reasons namely: organizations perceive environmental marketing as an opportunity to achieve its objectives; that organizations have a moral obligation to be more socially responsible; Governmental

agencies forcing firms to become more responsible; competitors' environmental activities and cost factors associated with waste disposal. Environmentally responsible behaviour usually involves difficult motivational conflicts, arising from the fundamental incompatibility of environmental protection-related collective goals and individual consumers' personal or self-interested benefits and the resulting free-rider problem (Wiener and Doesher, 1991).

Owing to the conceptual and moral complexity of 'ecologically responsible consumer behaviour' and to the perplexity of ecological information, different consumers have different conceptions of ecologically oriented consumer behaviour. According to Antil (1984), consumers act out their primary motivation for being green consumers. It can be assumed that firms marketing goods with environmental characteristics will have a competitive advantage over firms marketing non-environmentally responsible alternatives. There are numerous examples of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer needs (Schwepker, and Cornwell, 1991). While governmental regulation is designed to give consumers the opportunity to make better decisions or to motivate them to be more environmentally responsible, there is difficulty in establishing policies that will address all environmental issues. Hence, environment-friendly consumption may be characterized as highly a complex form of consumer behaviour, intellectually, morally and in practice.

Demographic characteristics have been explored to determine their impact on green issues. According to Roberts and Bacon (1997), the impact of age and level of education amongst others have been explored by a number of researchers. It is generally asserted that younger individuals are likely to be more sensitive to environmental issues. The findings have however been somewhat equivocal. Some of the researchers who explored age as a correlate to green attitudes and behaviour have found non-significant relationships (Roper, 1990). Others have found the relationship to be significant and negatively correlated with environmental sensitivity (Zimmer et al., 1994). Still others have found the relationship to be significant, but positively correlated (Roberts, 1996). The hypothesized relationship between education and environmental attitudes has been fairly consistent. Education is expected to be positively correlated with environmental concerns and behaviour. Although the results of studies examining education and environmental issues are somewhat, a definitive relationship between the two variables has not been established. Roberts (1996), writes that majority of studies have found the predicted positive relationship. Samdahl and Robertson (1989) however found the opposite; education was negatively correlated with environmental attitudes. Kinnear et al., 1974 on their part found no significant relationship.

Baron (1995), has argued that, market and non-market environments impact each other, and so firms may choose to green their systems, policies and products due to economic and non-economic pressures from the market and non-market environment. Proponents of corporate social performance, responsibility and responsiveness also argue that firms have societal responsibilities that may or may not reinforce the profit objective (Wood and Jones, 1995). Firms green their products/policies because they wish to be socially responsible. Such policies may or may not generate quantifiable profits in the short run. However, Hart and Ahuja (1996) observe that in the long run, socially responsible policies could have economic payoffs.

## **RESEARCH METHODOLOGY**

The research was designed as a single cross sectional study. The researchers believed this would enable them study the target population within a relatively short period of time. The study was conducted in four (4) satellite markets in Accra. Accra was considered suitable because it is the centre of economic activity and the political and administrative capital of Ghana. The target population for the study was patrons of manufactured consumer products. A total sample size of 200 people was studied. Fifty (50) respondents from each satellite market were interviewed. A survey was conducted and the data was collected using questionnaires designed on Likert scale of 5 for most important to 1 for less important. The researchers were assisted by two (2) research assistants to administer the questionnaires over a two-week period. The researchers read out instructions and questions to the respondents and filled out the questionnaires with respondents' answers. Respondents were selected based on a convenient sampling

technique. Target respondents were approached and those who agreed to participate in the survey were interviewed. A total of 240 people were approached and 200 respondents agreed to participate in study. The completed questionnaires were all considered valid and accepted for analysis. The data is presented and discussed under sub-topics which reflect the objectives of the study as indicated earlier. Data was analysed using frequency distribution, ranking and cross-tabulation procedures. Frequency distribution was used to determine the level of awareness of respondents in respect of green marketing issues and the level of impact of awareness on consumer purchase decision. Cross-tabulation procedures were used to determine the associations between age and educational level with customer purchase decisions. The raw data of consumers was coded and analysed.

## ANALYSIS OF FINDINGS

### Level of Consumer Awareness of Green Brands in Ghana

Respondents were asked to indicate whether they were aware of green marketing issues by responding “Yes” or “No”. A response of “Yes” meant respondent was aware of green marketing issues, while a response of “No” meant respondents were not familiar with green marketing issues. Out of a total of 200 respondents, 31 people representing 15.5% of sample indicated they were aware of green marketing issues. See Table 1 below.

**TABLE 1  
LEVEL OF AWARENESS OF GREEN BRANDS**

Responses	Frequency	Percentage (%)	Valid Percentage (%)	Cumulative Percentage (%)
Yes	31	15.5	15.5	15.5
No	169	84.5	84.5	100
Total	200	100	100	

The low level of awareness of green marketing issues has implications for the purchase of green brands. Schiffman and Kanuk (2009) assert that consumers usually would purchase brands that feature within the evoked set. According to them “the evoked set consists of the small number of brands the consumer is familiar with, remembers and finds acceptable.” Familiarity of a brand is therefore critical in determining whether that brand would be considered for purchasing by any particular consumer or not. Consequently, since a small number (15.5%) of the respondents were familiar with green brands, the potential patronage for green brands would be low.

**TABLE 2  
IMPACT OF GREEN MARKETING AWARENESS ON CONSUMER PURCHASE DECISION**

Variables	Frequency	Percentage	Valid Percentage	Cumulative Percentage
Yes	14	7	7	7
No	186	93	93	100
	200	100	100	

7% of respondents, that is 14 respondents, indicated that green marketing issues affect their purchase decisions. Garau et al (2005) and Riveracamino (2006), have argued that green marketing has very little impact on consumer purchase decision. The findings of this study re-emphasises this position. 93% (186) of the respondents indicated that green issues did not impact their purchasing decision. From Table 1

above, 15.5% of the respondents indicated that they were familiar with green issues. This means therefore that green issues impacted the purchase decisions of only 1 out of every 2 respondent who were familiar with green marketing issues.

### Relative Importance of Selected Variables on Consumer Purchase Decision

The researchers explored how respondents ranked some selected variables in respect of the impact these variables had on their purchase decisions. These variables were concern for the environment, product price, product quality and product packaging. Respondents were asked to show the level of influence each variable had on their purchase decision by indicating whether the variable played a highly important, important, unimportant, or a highly unimportant role in their purchase decision. Table 3 below captures the relevant data obtain from the study.

**TABLE 3**  
**RELATIVE IMPORTANCE OF SELECTED VARIABLES AFFECTING PURCHASE DECISIONS**

Variable	Most Important	Important	Neutral	Less Important	Unimportant	Total
Concern for the environment	44.5%	7.5%	0%	31.5%	16.5%	100%
Price	41.5%	36%	0%	10.5%	12%	100%
Quality	36.5%	34.5%	0%	9%	20%	100%
Packaging	25.5%	16%	0%	35%	23.5%	100%

Evidence in table 3 above indicates that 77.5% of respondents considered price to be either most important or important in their purchase decisions. Product quality was the second most important variable that influenced consumers' purchase decisions. 71% of respondents indicated that quality was either most important or important in their purchase decisions. 52% of respondents indicated that concern for the environment was either most important or important in their purchase decisions. For price and product quality, only 10.5% and 9% of respondents respectively said they were less important in their purchase decisions. However, as high as 31.5% of respondents indicated that environmental concerns were less important in their purchase decisions. Though 52% of respondents admitted that environmental issues were either important or very important in purchase decisions, it would not necessarily translate into actual purchase decision. Mintel (1995) observed that there was a gap between concern for the environment and actual purchase behaviour.

### Impact of Demographic Characteristics on Consumer Green Purchasing Decisions

Demographic variables have been linked to green attitudes (Roberts and Bacon, 1997). This study considered only the effects of age and educational level on green purchasing behaviour.

*Age*

**TABLE 4**  
**IMPACT OF AGE GREEN ON GREEN PURCHASE DECISION**

Ages						
Variable		18-25	26-35	36-45	46 and above	Total
affects purchase decision	Yes	8	5	1	0	14
	No	75	51	35	25	186
	Total	83	56	36	25	200

From above Table 4, out of 14 respondents (7%) who agreed green issues affected their purchase decisions, those between the ages of 18-25, constituting 4% of respondents, showed greater concern for the environment. Those between the ages of 26 and 35, constituting 2.5% of respondents, showed the second highest level of concern for the environment. Only 1 respondent (0.5%) between the ages of 36 and 45 showed any concern for the environment. Those who were 46 years of age and above showed no concern for the environment. The general belief is that younger persons are likely to be more sensitive to environmental issues. There are a number of theories offered in support of this belief, but the most common argument is that those who have grown up in a period in which environmental concerns have become a salient issue at some level, are more likely to be sensitive to these issues.

#### *Educational Level*

**TABLE 5**  
**IMPACT OF EDUCATIONAL LEVEL ON GREEN PURCHASE DECISION**

Educational Level							
Variable		No Education	Junior High School (JHS)	Senior High School (SHS)	University 1 <sup>st</sup> Degree	University Post Graduate	Total
Affects Purchase Decision	Yes	0%	1%	3.5%	2.5%	0%	7%
	No	25%	5.5%	24.5%	45.5%	5%	93%
	Total	25%	6.5%	28%	48%	5%	100%

From above Table 5, out of the 7% of respondents whose purchase decisions are affected by green issues, respondents with no education and university education (post graduate) were not influenced by green issues at all, while those with JHS, SHS and university education (1<sup>st</sup> Degree) had their decisions influenced by green issues. Education is expected to positively influence environmental concerns and behaviour (Roberts and Bacon, 1997). The findings support this assertion though it is important to note that respondents with post university education did not seem interested in green issues. Kinnear et al. (1974) found no significant relationship between green purchasing attitudes and education. This might explain the rather interesting situation where post university consumers were not interested in green issues as depicted by the data presented.

### **CONCLUSIONS AND RECOMMENDATIONS**

Green marketing is a major trend in modern business. There is huge interest in green marketing by green marketing campaigners and researchers alike. Despite this high level of interest, demand for green brands the world over has not been as high as expected. Green brand awareness is low in Ghana and the impact of green brand awareness on purchase decisions is even lower. Ghanaians put a higher premium on price and product quality than on concerns for the environment. It is recommended that future research consider using a bigger sample size covering a wider geographical area of the country to establish the level and impact of green brand awareness of the Ghanaian consumer. Green marketing campaigners and green brand producers should develop strategies that can carry their messages to a greater number of people more effectively.

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