http://ijms.ut.ac.ir/ Print ISSN: 2008-7055 Online ISSN: 2345-3745

# An analysis of the green response of consumers to the environmentally friendly behaviour of corporations

Habibollah Ranaei Kordshouli<sup>1\*</sup>, Abolghasem Ebrahimi<sup>1</sup>, Ahmad Allahyari Bouzanjani<sup>2</sup>

1. Faculty of Economics, Management & Social Sciences, Shiraz University, Shiraz, Iran.
2. Faculty of Economic & Administrative Sciences, Ferdowsi University of Mashhad, Mashhad, Iran.

(Received: 5 February, 2014; Revised: 23 May, 2014; Accepted: 31 May, 2014)

#### **Abstract**

Nowadays, paying attention to the environmental needs and desires of consumers and trying to satisfy them by designing marketing activities in an environmentally friendly way, is the best way to increase their satisfaction and finally, gain competitive advantage. Prior research has paid much attention to the consumer behavior and marketing activities of corporate organizations, but none has studied them in the area of green or environmental aspects. This study aims to fill this research gap. To do so, a sample consisting of 385 consumers of dairy food products in nine areas of Shiraz were selected and surveyed by stratified random method. Also, structural equation modeling (SEM) was used to test hypotheses and it was found that green promotion and green price, respectively, have a significant and positive impact on consumer green satisfaction; whereas the green placement and the green product had not affected consumer green satisfaction. Further, it was revealed that the green satisfaction has a significant and positive impact on consumer green loyalty and word of mouth, respectively.

### **Keywords**

Green loyalty, Green marketing mix, Green satisfaction, Word of mouth advertising.

<sup>\*</sup> Corresponding Author, Email: ranaei@Shirazu.ac.ir

#### Introduction

The earliest publications on green consumer behavior, as an issue of importance to marketing planners, appeared around 1970. After a lull in interest, there was a boom in research throughout the 1990s, vielding numerous publications on environmental attitudes and their influences on behavior. These included some specifically concerned with the impact of marketing variables on, for example, environmentally conscious purchase decisions and energy saving consumption decisions or domestic recycling practices (Hartmann and Apaolaza, 2006). During this time, it has become widely accepted that environmental issues are considered strategic, requiring a more proactive approach with an anticipatory attitude, in order to take advantage of many business opportunities (LeCren and Ozanne, 2010). It has been said that during the 1990s, corporations faced increasing environmental challenges as a result of pressure coming from drivers of change, such as regulators, stockholders, industry groups, competitors, voluntary charters as well as codes and incidents leading to environmental degradation and resource depletion. The increasing influence of communities on companies, the sky-rocketing cost of complying with environmental regulations, and changing consumer attitudes are forcing companies to become environmentally conscious (Johri et al., 1998).

In addition, nowadays, green marketplaces are developing in many parts of the world, delivering products to the "green consumer" socio-demographic segment: those consumers who make their buying decisions at least partly based on personal environmental criteria. Specialized green producers and retailers have emerged, and are competing for the patronage of this segment with a number of mainstream companies that have also launched initiatives targeting green consumers (Hartmann and Apaolaza, 2006).

There are a vast number of diverse considerations that may be addressed by companies that choose to pursue a green marketing agenda. Among these are concerns such as: developing offerings that conserve energy and other natural resources in their production

process; creating advertisements and other promotional messages that accurately reflect a company's commitment to the environment, setting prices for green products that balance consumers' sensitivity to cost against their willingness to pay more for environmental safety; reducing pollutants and conserving resources in the transportation of products to the market; and a host of other marketing-related decisions (Grove *et al.*, 1996). Despite the importance of the issue, no comprehensive study has investigated the green behavior of consumers towards the green behavior of companies. Hence, the current study tries to fill this gap and propose a comprehensive framework, to analyze the green behavior of consumers in response to the green behavior of the company.

#### Literature review

# Corporate green behaviour

Reviewing previous studies, it can be said that corporate green behaviour is defined by the following four Green marketing mixes (River, 2004):

- 1. Green product production
- 2. Green promotion
- 3. Green placement
- 4. Green pricing.

# **Green product production**

Green products refers to products that incorporate the strategies in recycling with recycled content, reduced packaging or using less toxic materials to reduce the impact on the natural environment (Chen & Chai, 2010). Schlegelmilch *et al.* (1996) classified green products into general green products, recycled paper products, products not tested on animals, environmentally friendly detergents, organically-grown fruit and vegetables, ozone-friendly aerosols and energy-efficient products. The benefits searched for by buyers of green products should be, obviously, improvement of the environment in which they live. In some cases, direct personal benefits can be obtained, such as the perceived health advantages of organic food, the savings on

domestic heating and lighting budgets, or the returns on investment in environmental technologies. The marketer's best strategy will consequently be to deliver detailed information to consumers about the environmental credentials of a product or service, or the consequences of advocating forms of behavior (Hartmann & Apaolaza, 2006). According to previous research, a product can be considered as a green product when it contains the following attributes: 1. is made of materials that can be recycled (Schlegelmilch et al., 1996; Dangelico & Pontrandolfo, 2010; Chen & Chai, 2010), 2. is more energy efficient than conventional products (Schlegelmilch et al., 1996; Dangelico & Pontrandolfo, 2010; Polonsky & Rosenberger, 2001), 3. is less pollutant than conventional products (less negative environmental impact) (Dangelico & Pontrandolfo, 2009), 4. is produced in an environmentally friendly process and 5. contains elements that are not harmful to the environment (Gurau & Ranchhod, 2005; Mahenc, 2008; Polonsky & Rosenberger, 2001).

## **Green promotion**

Environmental claims refer to claims that are included in any labeling, advertising, promotional materials and all other forms of marketing, whether asserted directly or by implication, through words, symbols, emblems, logos, depictions, product brand names, or through any other means, including marketing through digital or electronic means, such as the Internet or electronic mail. The claims can be about the environmental attributes of a product, package or service in connection with the sale, offering for sale, or marketing of such product, package or service for personal, family or household use, or for commercial, institutional or industrial use (Wahid & Abustan, 2002). Nowadays, marketers are trying to use environmentally friendly claims in their advertising messages to exploit consumers' environmental concerns (Shrum et al., 1995). According to research, 70% of consumers have expressed that their purchasing decisions are influenced by environmental messages in advertising (Chase & Smith, 1992).

In fact, as environmental qualities are often hidden characteristics,

producers need to make them visible to consumers. According to this logic, the main task for marketers is to find the green consumer and inform him or her about the products' environmental qualities (Rex and Baumann, 2007). Based on the above mentioned, green advertising is defined as advertising message that, promotes a green lifestyle with or without highlighting a product/service, presents a corporate image of environmental responsibility (Cox, 2008), claims that a product is made of environmentally sound materials or is contained in an environmentally sound package (Polonsky *et al.*, 2001) and increase consumer awareness about environmental issues (Polonsky *et al.*, 2001).

### **Green placement**

Previous studies mainly focused on the topic of green supply chain, which is a detailed discussion and beyond green distribution. River (2004) defined green distribution as a distribution with green criterion, and explains that distribution often increases the environmental impact of products, and is constantly regulated for environmental compliance. Natural environment becomes a challenging issue to business organizations in recent years as a result of global and local environmental problems. Business operations, such as sourcing, manufacturing and logistics, are believed to be responsible for most of these problems (Eltayeb et al., 2011). According to studies, 80% of respondents said they refused to buy products from companies accused of being polluters. Companies who do not follow environmental regulations or who ridiculously take advantage of green movement to increase sales may face consumer boycott (Laroche et al., 2001). To do so, the activities that companies should perform to green their distribution systems are as follows (Shah, 2011):

- Optimizing capacity usage, both in and out bound.
- Using a modern eco-efficient transportation fleet like energy efficient vessels and high Euro norms for trucks.
- Using green fuels like low sulfur content, and alternative fuels like liquid natural gas.
- Shifting volumes to rail and sea transport, and
- Encouraging eco-driving to decrease fuel consumption.

#### Green price

Green pricing can be defined as setting prices for green products that balance consumers' sensitivity to cost against their willingness to pay more for environmental safety (Grove et al., 1996). According to prior research, price is an important element in consumers' purchases; therefore, it has a large influence on consumers' satisfaction judgments. The results of studies also showed that price perceptions directly influence satisfaction judgments (Herrmann et al., 2007). Studies conducted on green consumers purchasing behavior indicated that green consumers are careful buyers and consider products price before making a purchase. In other words, they are sensitive to price (Shrum et al., 1995). In fact, an initial price quote from the seller may be compared to a buyer's previous experience or an expectation of an acceptable or fair price for the product. If the buyers' perceptions of the performance or quality of the product exceed their expectations and the product represents good value for money, then their perceptions of the quoted or listed price should be favorable. Consequently, if buyers perceive that the benefits offered by the product relative to the perceived sacrifice (i.e. price to be paid) is favorable, then they will be more likely to perceive that the price is fair (Herrmann et al., 2007). Additionally, Hamzaoui and Linton (2010) showed that consumers make clear decision what the price discount must be to accept a higher functional risk, even though they are concerned about the environment. In sum, green price is the price that is fair (Xia et al., 2007) and provides good value for the cost that has been paid (Johri et al., 1998).

### **Green satisfaction**

With the rise of environmentalism, not only did consumers become more willing to purchase products that generate minimum impact, but the society also became more concerned with the environment. Additionally, the international environmental regulations have increased dramatically and become stricter in recent years. It was the outcome of consumption that the performance met or exceeded the green needs of customers, the requirements of environmental

regulations, and the sustainable expectation of society (Chang and Fong, 2010). Also, there is an expectation on the part of customers that all products offered should be environmentally safe without a need to sacrifice quality and/or having to pay higher prices for the privilege (D'Souza *et al.*, 2006). In marketing literature, satisfaction is defined as "the degree of overall pleasure or contentment felt by a consumer, resulting from the performance of the product to fulfill the consumer's desires, expectations, and needs" (Chen, 2010). In fact, satisfaction referred to a consumer's judgment that a product or service feature, or the product or service itself, was providing a pleasurable level of consumption-related fulfillment, including levels of under- or over-fulfillment (Chang & Fong, 2010). In this context, the current study proposed a rare construct, green consumer satisfaction. This concept is defined by the following criterion:

- Customer sensed that consumption fulfilled any need, goal, and desire about environmental or green concerns (Chen, 2010; Chang & Fong, 2010).
- Satisfaction of the product price and the price paid against the received value of the company (D'Souza *et al.*, 2006).
- Satisfaction of green product quality (Chang & Fong, 2010).

#### **Green loyalty**

Customer loyalty can be defined from a behavioral, attitudinal, or situational perspective. Behavioral loyalty was articulated as the purchase and usage behavior displayed by customers in their historical purchasing and use of a brand and competing brands. Attitudinal loyalty was normally reflected by an emotional bond with a brand and strong customer preferences for the brand. Situational loyalty depended on the shopping and purchasing situation. Although, all the three types of loyalty play a critical role in marketing, most firms would prefer customer loyalty to be attitudinal (Chang and Fong, 2010). Chen (2010) defines green loyalty as "the level of repurchase intentions prompted by a strong environmental attitude and sustainable commitment towards an object, such as a product, a service, a company, a brand, a group, or so on". Customers may be loyal due to high switching barriers or lack of real alternatives.

Customers may also be loyal because they are satisfied and thus, want to continue the relationship. Companies tend to consider customer satisfaction the only viable strategy in order to keep existing customers. Several authors found a positive correlation between customer satisfaction and loyalty (Yuen, 2007; Chang & Fong, 2010; Chen, 2010). Based on previous discussion, this study proposed a novel construct— green customer loyalty, which is related to environmental commitments and concerns. We defined green loyalty by the following criterion:

- Customer's willingness to repurchase (Chang & Fong, 2010; Chen, 2010).
- Customer's willingness to maintain a relationship with a firm (Chang & Fong, 2010).
- Customer's environmentally sustainable attitude and commitment towards a product brand and company (Chen, 2010).

# Word of mouth (WOM) advertising

One of the favourable consumer behaviours is positive word-of-mouth (WOM) communications. WOM communication refers to an exchange of thoughts, ideas, or comments between two or more consumers, none of whom is a marketing source. That is, they tell others, external to the transaction, of their (dis)-pleasure with the service and service provider (Swanson & Kelley, 2001). WOM communications have received extensive attention from both academics and practitioners for decades. Since the early 1950s, researchers have shown that personal conversations and informal exchange of information among acquaintances not only influence consumers' choices and purchase decisions, but also shape consumer expectations, pre-usage attitudes, and even post-usage perceptions of a product or service (De Bruyn & Lilien, 2005). Originally, WOM marketing is an action for informally sharing experiences and spreading information among consumers whenever they are satisfied or dissatisfied with specific products. In many markets, customers are strongly influenced by the opinions of their peers (Li et al., 2008). As an important but hard to manage market force, WOM is believed to be

able to complement and extend the effect of advertising. For example, initial marketing activities (advertisement, promotion) trigger initial purchase reactions, and that purchase experience subsequently triggers the spread of WOM, as customers share their experiences with others. The extent to which the effect of advertising is extended (or multiplied) by WOM is called the advertising ripple effect caused by WOM (Huang *et al.*, 2011). Further, perceived importance of being environmentally friendly is the best way to disseminate WOM communications (Han *et al.*, 2011).

# Conceptual model and research hypothesis

With the prevailing environmental consciousness of consumers and strict international regulations related to environmental protection, corporate organizations can undertake green marketing activities to investigate consumers' green attitudes and behaviors (Chang and Fong, 2010).

In fact, consumers expect that the marketing activity of corporate organizations, be designed in an environmentally friendly manner. According to prior studies, Consumer satisfaction is rooted in their expectations (Shu-Ching, 2012), to the extent that firms, in their marketing activities, are able to fulfill the environmental expectations of consumers, the same rate will also be able to satisfy them.

According to the theory of the marketing mix, marketing activities through the four variables of product, price, promotion and distribution of products is managed (Chikweche & Fletcher, 2012). In fact, from the consumers' point of view, corporate behaviors are evaluated with these four variables. Therefore, consumers are expected to have greener attitude towards each of the four variables (e.g. product, price, promotion and placement) their satisfaction of corporate environmental performance, also, will be more.

Despite the importance of this issue, very few studies have been conducted on the effect of each of these variables on consumer satisfaction. In reviewing the research background, no study has investigated the effect of green placement and green promotion of products on consumer satisfaction. These variables play important

roles in the purchase decision of consumers (Ayanwale *et al.*, 2005). So, they can have a significant impact on consumer satisfaction.

Unlike the very limited studies on the effect of green distribution and green promotion on consumer satisfaction, Chang and Fong (2010) provided strong empirical support about product quality being an antecedent, with a positive effect on green satisfaction of consumers. These suggested that maintaining green product quality, will provide satisfaction to customers. According to their studies, companies can not only embody green or environmental concept in the feature, design, and package of their product to increase product differentiation, but they can also satisfy the environmental needs of customers.

Furthermore, because of the importance of price in consumers' purchases decision; therefore it has a large influence on consumers' satisfaction. In support of this fact, Herrmann *et al.* (2007) found that price greenness directly influence consumers' satisfaction.

Therefore, based on the above statements, this study proposed the following hypotheses:

**H**<sub>1</sub>: Green placement positively affects the green satisfaction of consumers.

**H<sub>2</sub>:** Green product positively affects the green satisfaction of consumers.

**H<sub>3</sub>:** Green promotion positively affects the green satisfaction of consumers.

**H**<sub>4</sub>: Green price positively affects the green satisfaction of consumers.

It is generally accepted that customer loyalty and word of mouth communication are dependent on customer satisfaction (Carpenter & Fairhurst, 2005).

Previous studies paid great attention to explore the effect of customer satisfaction on customer loyalty; but a few were explored with green approach. According to Chen (2010), Green satisfaction of customers is positively associated with their green loyalty. Additionally, the study of Chang and Fong (2010) reconfirmed the result of Chen (2010). Furthermore, highly satisfied customers are

likely to recommend the products to other customers (Reynolds & Arnold, 2000). The study of Kau and Loh (2006) also showed that behavioral outcomes in terms of word-of-mouth and loyalty are higher for consumers who are satisfied compared to those who are dissatisfied (Kau & Loh, 2006). Therefore, based on the above results, this study proposed the following hypotheses:

**H**<sub>5</sub>: Green satisfaction positively affects the green loyalty of consumers.

**H<sub>6</sub>:** Green satisfaction positively affects consumer's WOM advertising.

Considering the research hypotheses, the conceptual model of this study, is as presented below:

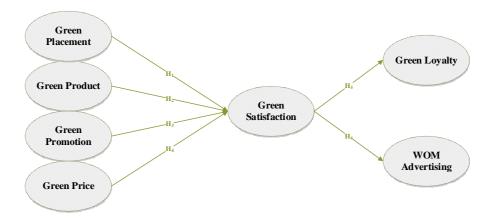


Fig. 1. Research model

# Methodology

This study used questionnaire survey to verify the hypotheses and research framework. The questionnaire items were measured on a seven-point Likert Scale. By studying the theoretical background of green marketing mix and other variables in research framework, such as green satisfaction, green loyalty and word of mouth advertising, the questionnaire was designed, and data were gathered (Table 1). Therefore, the measurement of this study was acceptable in content validity.

Table 1. Measurement tool

Table 1. Measurement tool					
Cons	tructs		Number of items		
Green marketing mix	Green product	is made of materials that can be recycled (Schlegelmilch <i>et al</i> , 1996, Dangelico & Pontrandolfo, 2010; Chen & Chai, 2010)  And is produced in an environmentally friendly process (Gurau & Ranchhod, 2005, Mahenc, 2008, Polonsky & Rosenberger, 2001).  promotes a green lifestyle (Cox, 2008);	4		
	Green promotion	promotes a green mestyre (Cox, 2008), presents a corporate image of environmental responsibility (Cox, 2008); claims that a product is made of environmentally sound materials or is contained in an environmentally sound package (Polonsky <i>et al.</i> , 2001); And increase consumer's awareness about environmental issues (Polonsky <i>et al.</i> , 2001).	13		
	Green placement	Using a modern eco-efficient transportation fleet like energy efficient vessels and high Euro norms for trucks (Shah, 2011).	2		
	Green pricing	And provides good value for the cost that has been			
Green satisfaction		Customer sensed that consumption fulfilled some need, goal, and desire about environmental or green concerns (Chen, 2010; Chang & Fong, 2010).  Satisfaction of the products price and price paid against the received value of the company (D'Souza <i>et al.</i> , 2006).  Satisfaction of green product quality (Chang & Fong, 2010).	5		
Green loyalty		Customer's willingness to repurchases (Chang & Fong, 2010; Chen, 2010). Customer's willingness to maintain a relationship with a firm (Chang & Fong, 2010). Customer's environmentally sustainable attitude and commitment towards a product brand and company (Chen, 2010).	3		
Word of mouth advertising		Exchange of thoughts, ideas, or comments with other consumers (via email, internet, phone and other ways of communication) or sharing experiences among consumers whenever they are satisfied or dissatisfied with specific products (Li <i>et al.</i> , 2008; De Bruyn & Lilien, 2005).	7		

Cronbach's alpha was employed to determine the questionnaire's reliability. Finally, total alpha of the questionnaire was approved with 0.95 ( $\alpha \ge 0.7$ ). The subjects were consumers of dairy food products in Shiraz City. The sample consisted of 385 consumers of dairy food products who were selected and surveyed by stratified random method, in nine areas of Shiraz. Data analysis involves

descriptive statistics using SPSS and structural equation modeling, using the AMOS structural equation program. The AMOS is designed to estimate and test structural equation models (SEMs). SEMs are statistical models of linear relationships among latent (unobserved) variables and manifest (observed) variables. Its purpose is to estimate the coefficients in a set of structural equations. For this research, the AMOS was used to investigate the causal relationships, where the path coefficients are tested for significance and goodness-of-fit (Jalilvand and Samiei, 2012). The overall model fit measures were used to evaluate the fit of the structural model. In estimating the goodness-of-fit indices (GFI) for measurement and structural models, the chi-square  $(\chi^2)$  test was used. In addition, the root mean square error of approximation (RMSEA) was used as an absolute fit index. The incremental fit index (IFI), and the comparative fit index (CFI) were used as incremental fit indices. Standardized estimates were used in reporting the causal relationships between the exogenous and endogenous constructs (Jalilvand and Samiei, 2012). The path diagram of the structural model specified (Fig. 1) was proposed based on the literature in Section 2. Demographics of respondents are illustrated in Table 2.

Table 2. Demographics of respondents

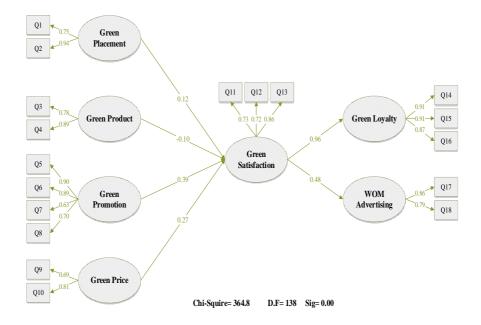
Demographic variables		Frequency (%)	Demographic variables		Frequency (%)
Gender	Male	53	Marital	Single	39.1
Gender	Female	47	Status	Married	60.9
Education	School	8		Less than 20	5.4
	Diploma	20.3	A a.a.	20-30	38.5
	Associate Degree	26.4		31-40	39.6
	Bachelor	32.5	Age	41-50	12.9
	Master & PhD	12.7		51-60	2.4
	Master & PhD			Upper than 60	1.1

## **Findings**

Figure 2 shows the standardized path regression coefficients that indicate the direct influences of the predictor upon the predicted latent constructs for the model, and associated t-values of the paths of the research model. The model fit indices of the structural model and the

cut-off value of those fit indices are presented in Table3. The goodness-of fit statistics show that the structural model fits the data reasonably well. The model produced a chi-square of 364.8 (d.f = 138, P=0.000). The overall chi-square for this measurement model was significant (P<0.05). The goodness of fit index (GFI=0.91, with 1 indicating maximum fitness), Comparative Fit Index (CFI=0.95, 1= maximum fitness), the comparative fit index (NFI=0.93, with 1 indicating maximum fit), and the incremental fit index (IFI=0.95) met the proposed criterion of 0.90 or higher. Finally, the root mean square error of approximation (RMSEA=0.07, with values <0.08 indicating good fit), one of the indices best suited to our model with a large sample, indicated that the structural model is a reasonable fit.

Table 3. model fit						
Index	RMSEA	IFI	AGFI	NFI	CFI	GFI
Value	0.07	0.95	0.88	0.93	0.95	0.91
Standard value	Good X< 0.5  Mediocre 0.05 <x<0.08 bad="" x="">0.08</x<0.08>	X>0. 9	At best, is close to 1.	X>0.9	X>0.9	At best, is close to 1.



 $\label{eq:Fig. 2. Structural equation models } \textbf{Fig. 2. Structural equation models}$ 

Table 4 presents the results of the individual tests of the significance of the relationship among the variables.

Table 4. Standardized path regression coefficients.

	Table 4. Standardized path regression coefficients.					
	Hypotheses	Estimate	C.R	Result		
1	The significant and positive effect of green placement on green satisfaction	0.12	1.67	Rejected		
2	The significant and positive effect of green product on green satisfaction	-0.10	-1.33	Rejected		
3	The significant and positive effect of green promotion on green satisfaction	0.39	5.33	Accepted		
4	The significant and positive effect of green price on green satisfaction	0.27	3.25	Accepted		
5	The significant and positive effect of green satisfaction on green loyalty	0.96	16.64	Accepted		
6	The significant and positive effect of green satisfaction on word of mouth advertising	0.48	7.82	Accepted		

H1 specifies that Green placement has a positive direct effect on Green satisfaction. This hypothesis was rejected (with path coefficient: 0.12; C.R: 1.67). Also, H2 specifies that Green product has a direct positive effect on Green satisfaction. This hypothesis was also rejected (with the path coefficient: -0.10; C.R: -1.33). This result is contrary to the results of Chang and Fong (2010) who found green product quality as being an antecedent, with a positive effect on green satisfaction of consumers. The rejection of the above hypothesis may be due to variables that moderate the effect of green placement and green product on consumer satisfaction. For instance, examining this relationship among consumers with various marital status, age group and gender group, may show different or conflicting results.

Furthermore, the third hypothesis specifies that green promotion have a direct positive effect on green satisfaction. This hypothesis is verified (with the path coefficient: 0.39; CR: 5.33). It shows that green promotion positively affects green satisfaction. Also, the fourth hypothesis was accepted, as it shows the influence (0.27) exerted by the green price over green satisfaction. This finding is a reconfirmation of Herrmann *et al.*'s (2007) results that found, price greenness to directly influence consumers' satisfaction. Also, the fifth hypotheses was accepted, because green satisfaction influences (0.96)

on green loyalty. Furthermore, the relationship determined by the sixth hypothesis was also accepted, showing the direct influence of green satisfaction on word of mouth advertising (0.48). This finding also, is consistent with what Chang and Fong (2010) and Kumar *et al.* (2003) have found.

#### **Conclusion**

This study developed a research framework to explore the effect of corporate green behavior on the green behavior of consumers. As shown in the previous section, all hypotheses of this study with the exception of the first and second hypotheses were confirmed. The findings of this study indicated that green promotion and green price respectively have more significant and positive impact on consumers' green satisfaction; whereas green placement and green product have not affected consumer's green satisfaction. Furthermore, it was revealed that green satisfaction has more significant and positive impact on consumers' green loyalty and word of mouth advertising, respectively. Hence, as a general conclusion, it can be stated that companies which incorporated green ideas in their activity not only can satisfy the environmental needs of customers, but also increase green customer satisfaction, green customer loyalty and word of mouth advertising. Based on this, it was suggested to companies that incorporating environmental aspects in their activity not only protect the environment, but also satisfy the needs of customers and maintain them. Also, future researches need to replicate this research, in order to address some of the limitations of this study. In fact, this study should be extended to other activities and other sectors of the economy for better understanding of green behavior of customers and corporations.

#### References

- Ayanwale, A. B.; Alimi, T. & Ayanbimipe, M. A. (2005). "The Influence of Advertising on Consumer Brand Preference". *Journal of social sciences*, 10(1), 9-16.
- Calin Gurau, Ashok Ranchhod, (2005). "International green marketing: A comparative study of British and Romanian firms". *International Marketing Review*, 22(Iss: 5), 547 561.
- Carpenter, J. M. & Fairhurst, A. (2005). "Consumer shopping value, satisfaction, and loyalty for retail apparel brands". *Journal of Fashion Marketing and Management*, 9(3), 256-269.
- Chang, N.J.; Fong, C.M. (2010). "Green product quality, green corporate image, green customer satisfaction, and green customer loyalty". *African Journal of Business Management*, 4(13), 2836-2844.
- Chase, D.; Smith, T.K. (1992). "Consumers keen on green but marketers don't deliver", *Advertising Age*, (June), 63.
- Chen, T.B. & Chai L.T. (2010). "Attitude towards environment and green products: Consumers perspective". *Management Science and Engineering*, 4(2), 27-39.
- Chen, Y. S. (2010). Towards green loyalty: driving from green perceived value, green satisfaction, and green trust. Sustainable Development, Published online in Wiley Online Library, DOI: 10.1002/sd.500.
- Chikweche, T. & Fletcher, R. (2012). "Revisiting the marketing mix at the bottom of pyramid (BOP): from theoretical considerations to practical realities". *Journal of Consumer Marketing*, 29(7), 507-520.
- Cox, M.J (2008). "Sustainable Communication: A Study of Green Advertising and Audience Reception within the growing arena of Corporate Social Responsibility, Case Study: British Petroleum". *Earth & Environment*, 3, 32-51.
- D'Souza, C.; Taghian, M.; Lamb, P. & Peretiatkos, R. (2006). "Green products and corporate strategy: an empirical investigation", *Society and Business Review*, 1(2), 144-157.
- Dangelico, R. M. & Pontrandolfo, P. (2010). "From green product definitions and classifications to the Green Option Matrix". *Journal of Cleaner Production*, 18(16-17), 1608-1628.
- De Bruyna, A. & Lilien, G. L. (2008). "A multi-stage model of word-of-mouth influence through viral marketing". *International Journal of Research in Marketing*, 25, 151–163.
- Eltayeb, T. K.; Zailani, S. & Ramayah, T. (2011). "Green supply chain initiatives among certified companies in Malaysia and environmental

- sustainability: Investigating the outcomes". *Resources, Conservation and Recycling*, 55(5), 495–506.
- Farhar, B. C. (1994). "Gender, Energy, and Environmental Policy: Perspectives from an International Workshop". *Presentation at the American Sociological Association Annual Meeting*; served as panelist in a Professional Workshop on "Negotiating the Corporate and Nonprofit Job Market," Los Angeles, CA, August 5-8.
- Grove, S. J.; Fisk, R. P.; Pickett, G.M. & Kangun, N. (1996). "Going green in the service sector: Social responsibility issues, implications and implementation". *European Journal of Marketing*, 30(5), 56–66.
- Grove, S. J.; Fisk, R. P.; Pickett, G. M. & Kangun N. (1996). "Going green in the service sector: Social responsibility issues, implications and implementation". *European Journal of Marketing*, 30(5), 56-66.
- Hamzaoui Essoussi, L. & Linton, J. D. (2010). "New or recycled products: how much are consumers willing to pay". *Journal of Consumer Marketing*, 27(5), 458–468.
- Han, H.; Hsu, L.T.; Lee, J.S.& Sheu, C. (2011). "Are lodging customers ready to go green? An examination of attitudes, demographics, and eco-friendly intentions". *International Journal of Hospitality Management*, 30, 345-355.
- Hartmann, P. Apaolaza Ibáñez, V. (2006). "Green value added". *Marketing Intelligence & Planning*, 24(7), 673-680.
- Herrmann, A., Xia, L.; Monroe, K. B. & Huber, F. (2007). "The influence of price fairness on customer satisfaction: an empirical test in the context of automobile purchases". *Journal of Product & Brand Management*, 16(1), 49-58.
- Huang, M., Cai, F.; Tsang, A. S.L. & Zhou, N. (2011). "Making your online voice loud: the critical role of WOM information". *European Journal of Marketing*, 45(7/8), 1277-1297.
- Jalilvand, M.R. & Samiei, N. (2012). "The effect of electronic word of mouth on brand image and purchase intention: An empirical study in the automobile industry in Iran". *Marketing Intelligence & Planning*, 30(4), 460-476.
- Johri, L. M. & Sahasakmontri, K. (1998). "Green marketing of cosmetics and toiletries in Thailand". *Journal of Consumer Marketing*, 15(3), 265-281.
- Kau, A.-K. & Loh, E. W.-Y. (2006). "The effects of service recovery on consumer satisfaction: a comparison between complainants and non-complainants". *Journal of Services Marketing*, 20(2), 101-111.
- Laroche, M.; Bergeron, J. & Barbaro-Forleo, G. (2001). "Targeting

- consumers who are willing to pay more for environmentally friendly products". *Journal of Consumer Marketing*, 18(6), 503–520.
- LeCren, N. & Ozanne, L. K. (2011). "Consequences of corporate environmental marketing strategies in New Zealand organizations", *Marketing Intelligence & Planning*, 29(2), 156-177.
- Li, Y. M.; Lin, C. H. & Lai, C.Y. (2010). "Identifying influential reviewers for word-of-mouth marketing", *Electronic Commerce Research and Applications*, 9(4), 294-304.
- Mahenc, P, (2008). "Persuasive Subsidies in a Clean Environment". *LERNA Working Papers* 08.02.246, LERNA, University of Toulouse.
- Polonsky, M.J. & P.J. Rosenberger III (2001). "Re-evaluating to green marketing An integrated approach", *Business Horizons*, 44(5), 21-30
- Rex, E. & Baumann, H. (2007). "Beyond ecolabels: what green marketing can learn from conventional marketing". *Journal of Cleaner Production*, 15. 567-576.
- Reynolds, K. E. & Arnold, M. J. (2000). "Customer Loyalty to the Salesperson and the Store: Examining Relationship Customers in an Upscale Retail Context". *Journal of Personal Selling & Sales Management*, 20(2), 89-98.
- Schlegelmilch, B. B.; Bohlen, G. M., & Diamontopolous, A. (1996). "The link between green purchasing decisions and measures of environmental consciousness". *European Journal of Marketing*, 30(5), 35–55.
- Shah, Nidhi. (2011). "Green purchasing: the issue of responsible supply chain management for improving the Environmental Performance". Available at: cited http://ebookbrowse.com/green-purchasing-pdf-d19227012. Accessed: 29 june 2011.
- Shrum, L. J.; McCarty, J. A. & Lowrey, T. M. (1995). "Buyer Characteristics of the Green Consumer and Their Implications for Advertising Strategy". *Journal of Advertising*, 24(2), 71-82.
- Shu-Ching, C. (2012). "The customer satisfaction—loyalty relation in an interactive e-service setting: The mediators". *Journal of Retailing and Consumer Services*, 19(2), 202-210.
- Swanson, S. R. & Kelley, S. W. (2001). "Service recovery attributions and word-of-mouth intentions". *Marketing*, 35(1/2), 194–211.
- V. Kumar; Timothy R.; Bohling, & Rajendra N. Ladda. (2003). "Antecedents and Consequences of Relationship Intention: Implications for Transaction and Relationship Marketing". *Industrial Marketing Management*, 32, 667–676.

- Wahid, N. A. & Abustan, I. (2010). "Environmental concern: between consumers' awareness and willingness for attitude change". *Working paper*.
- Xia, L.; Kukar-Kinney, M. & Monroe, K. B. (2010). "Effects of consumers' efforts on price and promotion fairness perceptions". *Journal of Retailing*, 86(1), 1-10
- Yuen, K. T. (2007). The Effect of Customer Trust on Customer Loyalty and Repurchase Intention: The Moderating Influence of Perceived CSR, Bachelor project in Business Administration. Hong Kong Baptist University, Hong Kong.