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Factors Influencing Perceived Quality and Repurchase Intention Towards Green Products

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Abstract

The purpose of this study is to investigate the relationship between the green value, emotional value, environment conscious, consumers' perceived quality, and repurchase intention towards green products at Parkson Bandar Utama, Selangor. The variables are divided into three models where perceived quality is acting as the mediating variable and repurchase intention as the dependent variable. The questionnaires were filled by the respondents who already purchased green products at Parkson Bandar Utama. For this quantitative research, a total of 200 respondents participated in the survey. The study has found that green value has significant relationship with both perceived quality and repurchase intention. Emotional value has significant relationship with perceived quality. However, its relationship with repurchase intention is insignificant. For environment conscious, though its relationship with perceived quality is insignificant, when paired against repurchased intention, the relationship is found to be significant.

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1. Introduction

A green product can be defined as "a product which the design and/or attributes (and/or production and/or strategy), uses recycling resources, and which benefits the effect on the environment, or reduces toxic damage on the

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environment in the the life-cycle as a whole" (Durif & Julien, 2009). Some traditional retailers have responded to the concerns of consumers and public by presenting a wide range of green products. In the context of green marketing, many researchers have proposed that environmental issue has become a major concern of the current generation in a wide range of areas such as property, businesses, tourism, and higher institution among others (Saffuan, Ariffin & Amin, 2013; El-Zeiny, 2011; Yusof, Musa & Rahman, 2011). The expanding needs of consumers for healthier lifestyles alongside the concern to save the environment have brought some changes in worldwide consumer market in pair with the rapid development of the economy. Tseng and Hung (2013) have indicated there is a need to address the gap between customers' expectations and their perceptions in green information products. Wen and Noor (2015) have recognised consumption values as an important predictor in predicting consumer purchase intention.

Thus, this study attempts to fill up this gap by examining the Malaysian consumers' environmental behavior in their repurchase intention of green products in the context of Parkson Bandar Utama Department Store. Hence, this study will be expanding related works from several studies in the past (Wu & Chen, 2014; Kong, Harun, Sulong & Lily, 2014) and also adding additional variables and context.

The scope of the study is basically to identify the contributing factors which are green value, emotional value, and environment conscious towards perceived quality and consumer repurchase intention at Parkson Bandar Utama, Petaling Jaya, Selangor. The relevant of choosing this location is that Parkson was one of the major retailers that support green initiative by the Malaysia government and it has become a place where people spend most of their quality time to make purchases. By proposing and subsequently testing the structural relationships among the five constructs, this study is intended to achieve the following research objectives: (1) to investigate the effect of green value, emotional value, and environment conscious on perceived quality and repurchase intention of Parkson green products, (2) to investigate the factor that has the strongest effect on perceived quality and repurchase intention of Parkson green products, (3) to investigate the effects of perceived quality on repurchase intention of Parkson green products.

2. Literature Review and Study Framework

2.1 Green Value

Previous research has widely explored the concept of perceived value because of its importance as a factor that can enhance the performance of the companies. Perceived value is defined as a consumer's overall evaluation of the net benefit of a product or service based on consumer's appraisal (Patterson & Spreng, 1997). According to Steenkamp and Geyskens (2006), companies can enhance consumer purchase intentions through product value. In addition, perceived value is also a determinant variable in affecting customer trust (Kim, et al., 2008). Borrowing the definition by Patterson and Spreng (1997), this study proposes green value variable, which is based on consumer's environmental desires, sustainable expectations, and green needs.

Green product provides the same quality and performance as a non-green product, which strengthen the green values in the mind of customers to boost up its sale. In addition, green value could not only play an important role in influencing green purchase intention but it also has an essential determinant in maintaining long term relationship with customer (Zhuang et al., 2010). This helps to ensure customer has the intention to repurchase intention green products in the future. As the value is much vital today, different organization can strengthen green purchase intention by enhancing their product value (Steenkamp & Geyskens, 2006).

2.2 Emotional Value

Barlow and Maul (2000) defined emotional value as when customers positively experience on organization's products or services. In today's experience economy (an economy in which customers expect to be positively, emotionally, and memorably affected at each level of their commercial presence), service providers can no more simply perform functions for consumers but need to create the unique individual and emotional experience for every customer. In addition, Brown and Reingen (1987) described that the value which is connected with consumers' emotions (e.g., feeling great, excited) and affective states, resulting in consumer assessments of a product can be viewed as emotional value of the consumer. Sweeney and Soutar (2001) conceptualize emotional value as a concept

derived from the feelings and emotions that the product or service delivers in the consumer and the social value increases social self-concept derived from the product.

A study by Nalchy et al. (2012) maintains that having positive emotions to a brand or product can encourage the consumers to purchase the same brand or product repetitively; regarding the fact that the level of emotions may vary from weak to very strong. It can be said that emotional value plays a vital role in choosing the brand or product.

2.3 *Environment Conscious*

Dunlap and Jones (2002) defined environment conscious as the extent to which individuals are aware of environmental issues and show support to solve them or signify the readiness to contribute personally to their solution. The four areas of environmental conscious issues include water, air, climate change, waste pollution and land pollution.

Fraj and Martinez (2006) debated that common people have enough information about environmental issues and prefer to use eco friendly products than traditional products; but still it has not become their habit. Environmental conscious consumers are older and they would deliberately purchase green products with strong green claims. They do not perceive green products as low in quality and agree green consumption could help strengthen environmental quality; are more likely to spend more for green products (Tsay, 2009).

2.4 *Perceived Quality*

Perceived quality means consumer perception on the quality of a product (Tsiotsou, 2006); represents consumers' overall judgment on the superiority of a product (Zeithaml, 1988). In this study, perceived quality is measured using the four dimensions of Petrick (2002): dependability, reliability, superiority, and consistency, since these can be used to measure consumers' overall judgment of a product or service.

In the context of consumers' satisfaction, Chaudhuri (2002) considered perceived quality to be an influential factor, in that the higher perceived quality consumers had, the higher their purchase intention was. Tsiotsou (2006) further proved that perceived quality and purchase intention were directly positively correlated, so perceived quality could be used in predicting purchase intention.

2.5 *Repurchase Intention*

Repurchase intention is the individual's judgment about repeating purchase again in the same firm (William & Auchil, 2002). The reason why customers decide to select the same service provider and purchase the same service is on the basis of their previous experiences. Repurchase intention involves an individual's judgment about the same firm that satisfies its needs and an assessment of current service situation (McDougall & Levesque, 2002).

Indeed, customers' repurchase intent relies upon the value obtained in their past transactions (Kaynak, 2003) like: appropriate performance criteria (benefits), competition, and cost considerations (Kumar, 2002). Future purchase intentions also have a significant relationship with customer satisfaction (Durvasula et al., 2004). Overall, customers perform future purchase intentions based on the value gained from past episodes or contacts, with relationship benefits being an intermediary for expectations of future benefits. On the basis of the variables stated above, the hypotheses guiding this study propose the following:

H1: Green product with green value added has a positive influence on consumer's perceived quality.

H2: Emotional value by consumer toward a green product has a positive influence on consumer's perceived quality.

H3: Environment conscious by consumer toward a green product has a positive influence on consumer's perceived quality.

H4: Green product with green value added has a positive influence on consumer's repurchase intention.

H5: Consumer's perceived quality toward a green product has a positive influence on consumer's repurchase intention.

H6: Emotional value by consumer toward a green product has a positive influence on consumer's repurchase intention.

H7: Environment conscious by consumer toward a green product has a positive influence on consumer's repurchase intention.

2.6 Proposed Structural Model

This study establishes the research framework as depicted in Figure 1. It is to explore three (3) independent variables, namely green value, emotional value, and environment conscious; how these independent variables affect the mediating variable of perceived quality; and further how it affect the dependent variable, repurchase intention.

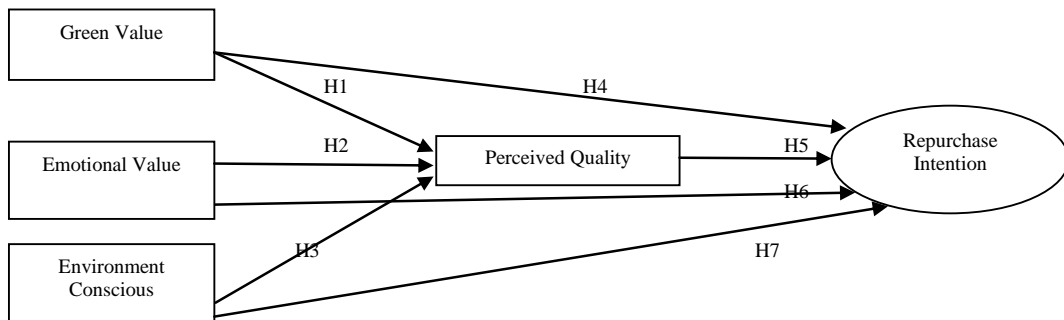


Fig. 1: Research framework

3. Methodology

The target population for this research is the shoppers at Parkson Bandar Utama Department Store who serve as respondents. The population was chosen due to factors like greater environmental awareness and they are more exposed to green products concept. In this study, researcher decided to apply close-ended questions because it can save respondents' time and effort when answering the questions. Respondents can easily pick up any answers from the five-point Likert-type scale. A total of 250 questionnaires were distributed and 200 were considered good.

In this questionnaire, the scales were adopted from previous study to measure the relevance of literature, context and compatibility and reliability. The scale used are green value, emotional value, environment conscious, perceived quality and repurchase intention.

4. Results and Analysis

From table 1, two variables (green value and emotional value) are found to significantly influence perceived quality ($p < 0.001$ and $\beta = 0.523$). Similarly the relationship between emotional value and perceived quality was also found to be significant ($p < 0.001$, $\beta = 0.230$). Thus H1 and H2 are accepted. However the relationship between environment conscious and perceived quality is found to be insignificant ($p = 0.726$, $\beta = -0.021$). Hence H3 is not accepted.

For H4 which examines the relationship between green value and repurchase intention, the result found that it is significant ($p < 0.001$, $\beta = 0.283$). Likewise, the relationship between perceived quality and repurchase intention (H5) is also significant ($p < 0.001$, $\beta = 0.764$). Thus both hypotheses (H4 and H5) are accepted.

Table 1. Results of the tested hypotheses

Hypotheses no. and hypothesized path	Beta	Sig.
H1:Green Value→Perceived quality	.523	.000
H2:Emotional Value→Perceived quality	.230	.000
H3:Environment Conscious→Perceived quality	-.021	.726
H4:Green Value→Repurchase intention	.283	.000
H5:Perceived Quality→Repurchase intention	.764	.000
H6:Emotional Value→Repurchase intention	-.073	.144
H7:Environment Conscious→Repurchase intention	.124	.008

As for the relationship between emotional value and repurchase intention (H6), it is not significant ($p = 0.14$, $\beta = 0.073$). In this case H6 is rejected. However, the relationship between environment conscious and repurchase intention is found to be significant ($p < 0.05$, $\beta = 0.124$). Thus H7 is accepted. A summary of the results is given in Table 1.

5. Discussion

The aim of this study is to investigate the factors influencing perceived quality and repurchase intention towards green products at Parkson Bandar Utama Department Store. The relationship model as illustrated by Figure 1 above shows the overall interrelationships among the variables (green value, emotional value, environment conscious, perceived quality, repurchase intention). It can be concluded that green value has significant relationship with both perceived quality and repurchase intention. Green value of Parkson Bandar Utama's green products has significantly positive influence on the perceived quality and repurchase intention, which mutually proved the concepts brought up by Zhuang et al. (2010), Yaacob & Zakaria (2011) and Mahesh (2013). This indicates that when the green product with green value added, consumers will further perceive the quality changes, which strengthen their recognition of quality and leads to stronger repurchase intention. Hence, when consumers purchase green products, they will value and care about the green concept of products. Consequently, retailers can aim at their target consumer to provide more green information of the green products in order to attract consumers' attention and enhancing their repurchase intention.

Emotional value is found to have a significant relationship with perceived quality but its relationship with repurchase intention is insignificant. Thus it can be concluded that emotional value does not directly influence repurchase intention and emotional value factor is mediated by perceived quality and then leads to stronger repurchase intention. Emotional value by consumer towards Parkson Bandar Utama's green products has significantly positive influence on the perceived quality, which mutually proved the concepts brought up by Beyzavi & Lotfizadeh (2014) and Uthamaputharan & Amin (2013). This indicates that when consumers have a sense of emotional value of a green product, they will further perceive the quality changes, which strengthens their recognition of quality. However, the emotional value by consumer does not significantly positive influence on their repurchase intention.

While consumers' environment conscious towards green products of Parkson Bandar Utama Department Store has significantly positive influence on the repurchase intention, which mutually proved the concepts brought up by Beyzavi & Lotfizadeh (2014) and Lu et al. (2014). This indicates that when consumers have a sense of environment conscious of a green product, it will lead to stronger repurchase intention. However, environment conscious by consumers does not have a significant positive influence on the perceived quality. Since green marketing can become a way to differentiate and positioning a product, retailers must utilize the consumers' environmental conscious to distinguish and place their products in order to grab new green market.

Consumers' perceived quality has a significant positive influence on repurchase intention, which confirms the findings found in the studies by Choi & Kim (2013) and Wu & Chen (2014). This indicates that when consumers perceive higher product quality, it will lead to stronger repurchase intention. The study shows that the product element (green value) has the most significant effect towards repurchase intention of Parkson green products as compared to other behavioral elements (emotional value, environment conscious). It proved that consumers are more attracted to the features, attributes, and other elements of the green products. Thus marketers should highlight the behavioural elements tested here in the implementation of green marketing strategies to encourage repurchase intention of green products.

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