

# Consumer Trust: A Mediating Variable In Making Consumer Attitude Towards Green Products

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## Abstract

High pollution levels and climate deterioration is affecting our planet badly. Scientists and environment activists are calling for a need to maintain a clean and **Green environment** to preserve our planet Earth. Green means to improve upon the manner that resources are utilized that results in reduced ill-impacts to human health and the environment and is done without sacrificing the current and future needs of our world. Green products are designed to protect or improve the environment by saving energy or resources and reducing or eliminating toxic waste, pollution, and the use of toxic substances (Ottman et al., 2006). Consumer Trust is an integral element in making consumer attitude towards green products. This research paper proposes a conceptual framework to investigate the antecedents of consumer trust and its effect on consumer attitude towards green product. To test our conceptual framework, Structural Equation Modelling is employed to analyse the data collected from 398 respondents. The antecedents addressed in this research are Interpersonal influence and Collectivism. The results indicate that Interpersonal influence and collectivism have significant and positive effect on consumer trust and then on consumer attitude towards green product.

**Keywords:** consumer attitude, Consumer trust, interpersonal influence , Collectivism, green products.

## 1. INTRODUCTION

The words like green marketing and green products are being repeatedly used in the past few years. Changing Environmental conditions, and global warming have forced business houses and other stakeholders to make diligent decisions regarding the use of the natural resources for their business and producing environmental-friendly product. Legal requirements of the governments and corporate social responsibility of business houses have encouraged companies to produce green products which have least adverse environmental impact. All this has resulted in the formation of new pattern of consumer group that are called green consumers. The positive impact of green consumer movement is not only in the day-to-day consumption patterns, but also become the significant factor in decision making of product manager, government's policies, and green consumers boycott movement for non-environmentally friendly product (Chan, 2000). Ryan (2006) defines green product consumers as those who

have following characteristics: having strong commitment to green products, critical and concerned about the environment, searching for companies that produce green products, reflecting wise behaviour in daily life, always eager to environmental issues.

## 2. Theoretical Background

### 2.1 Consumer Attitude

Consumer attitude may be defined as a feeling of favorableness or unfavorableness that an individual has towards an object. As we, all know that an individual with a positive attitude is more likely to buy a product and this results in the possibility of liking or disliking a product. Consumer attitude basically comprises of beliefs towards, feelings towards and behavioral intentions towards some objects.

### 2.2 Green products

Green products are usually identified by having two basic goals – reducing waste and maximizing resource efficiency. They are

manufactured using toxic-free ingredients and environmentally-friendly procedures  
Some of the characteristics of a green product are:

- Grown without the use of toxic chemicals and within hygienic conditions
- Can be recycled, reused and is biodegradable in nature
- Comes with eco-friendly packing
- Uses the least resources
- Is eco-efficient
- Has reduced or zero carbon footprint
- Has reduced or zero plastic footprint

### 2.3 Customer trust

Trust can be defined “when one party has confidence in another party’s reliability and integrity”(Morgan & Hunt, 1994). Customer trust plays an important role in shaping consumer behaviour (Lee, Tsai, & Lanting, 2011). Consumer purchase intentions are affected by the level of trust buyers have in the organisations offering green products. If the buyers trust the seller, higher are chances for purchase intention. Previous research shows that customer trust would positively influence customer purchase intentions (Poddar, Donthu, & Wei, 2009). Organisations that have recently inflated their environmental performance and later when the truth was revealed customers were reluctant to buy their product. The factors which influence the purchase decisions of consumers are their desire to save the environment, increasing awareness about the environment.

### 2.4 Interpersonal Influence

**Interpersonal influence** is a sort of social influence that encourages conformity and discourages, and perhaps even punishes nonconformity. It’s one of several different kinds of social influence making them akin to the organizational or the group’s norms. Research suggests that interpersonal influence can be categorized under normative and informational influence. Normative influence reflects the individual's desire to conform to

social group pressures or norms in expectation of rewards and avoid punishments. The normative influence is value expressive and utilitarian in nature. Informational influence affects consumer decision making with reference to product attributes. Consumers’ susceptibility to influence is a personality trait and varies with a person's status in society.

**2.5 Collectivism** Collectivism stresses the importance of the community. Research cites that a collectivist society has a positive link with the subjective norms(Ahn et al., 2012). A research conducted by Moon et al. (2008) states that consumers from a collectivist society are ready to pay a premium price for products which benefit society at large in contrast to individuals from an individualistic society(Moon et al., 2008). Varshenya et.al, (2017) and Thøgersen & Zhou, (2012) in their research highlight that products which are not known to a larger customer segment or haven't reached the masses, collectivism doesn't influence the green purchase intention of consumers(Thøgersen & Zhou, 2012; Varshneya et al., 2017). Lobo &Greenland (2017) states that collectivist societies have a stronger desire to buy environment friendly products.

It can be well understood from the given explanation that consumer trust has been an important element of the decision-making process, however, scarce research has been conducted to study green consumer trust and its relationship with other factors like interpersonal influence, collectivism, is scarcely explored leading to the development of the hypothesis in an Indian context listed below:

H<sub>1</sub>: Trust mediates the relationship between Interpersonal communication and Consumers’ attitude towards green products

H<sub>2</sub>: Trust mediates the relationship between Collectivism and Consumers’ attitude towards green products

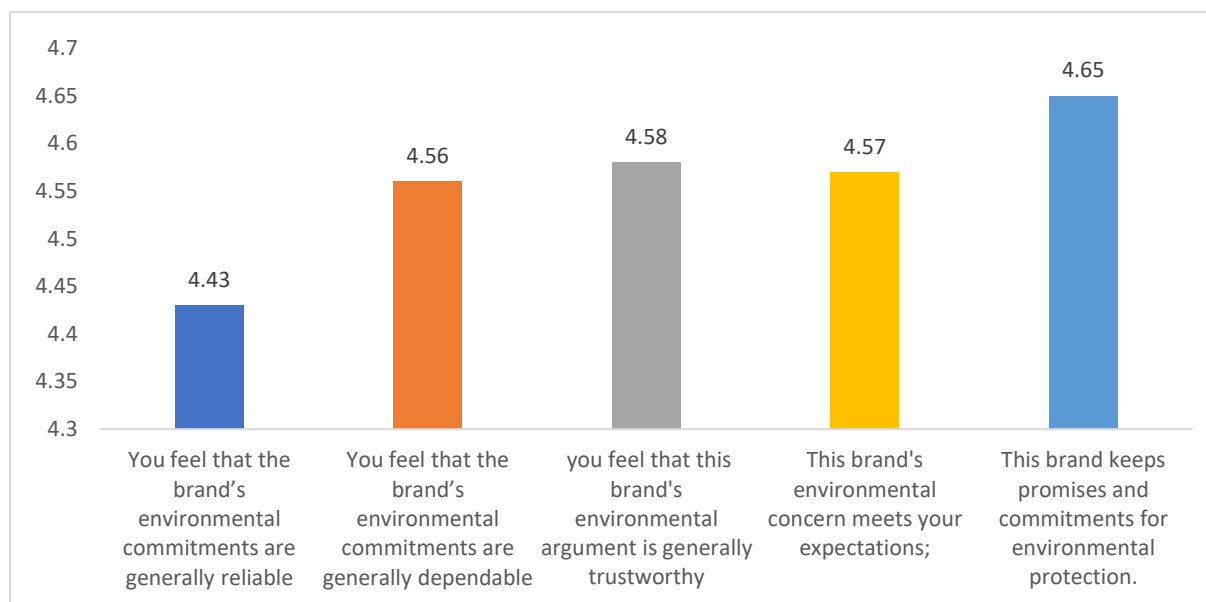
In the study the consumer trust is measured with the help of five statements. The descriptive analysis is applied in the study which includes the estimation of mean score, standard deviation, skewness and kurtosis.The descriptive analysis of responses collected from the consumers against the statements of consumer trust is shown below:

Descriptive analysis- Consumers Trust

	Mean	Std. Deviation	Skewness	Kurtosis
You feel that the brand's environmental commitments are generally reliable	4.43	1.482	-0.031	-0.532
You feel that the brand's environmental commitments are generally dependable	4.56	1.395	0.137	-0.536
you feel that this brand's environmental argument is generally trustworthy	4.58	1.405	-0.050	-0.583
This brand's environmental concern meets your expectations;	4.57	1.406	-0.102	-0.614
This brand keeps promises and commitments for environmental protection.	4.65	1.385	-0.235	-0.331

The skewness and the kurtosis of the responses are less than one indicating that the distribution of the responses is normal.

### Graph



### 3. Customer Trust as mediating variable

#### 3.1 Customer Trust as mediating variable between Interpersonal Influence and Consumer attitude for green products

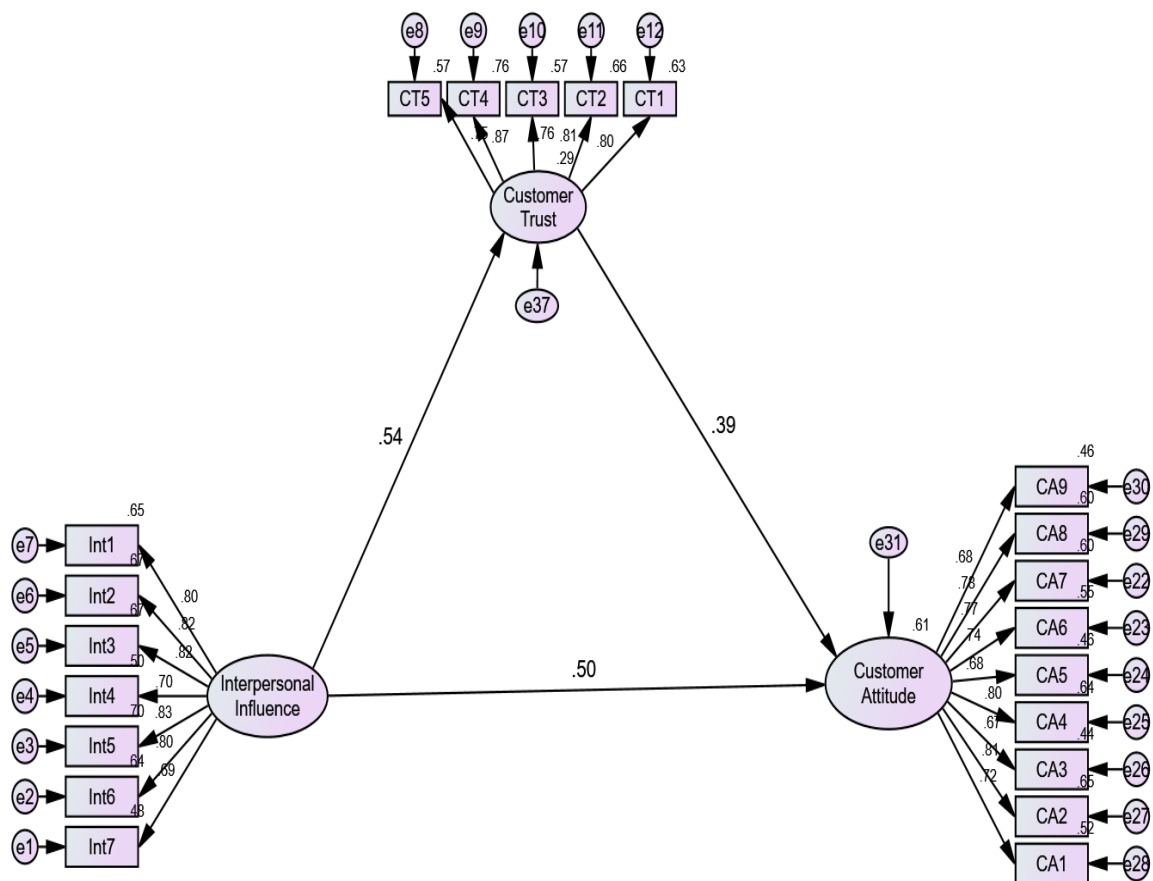
In the study the direct effect and indirect effect of the interpersonal influence of customers is studied on customer attitude assuming the customer trust as a mediating variable. Here, the interpersonal influence is the exogenous factor which influences the customer trust and customer attitude for green products.

In the study the bootstrap method is used in the study in order to examine the mediating role of

customer trust for the relationship between interpersonal influence and customer attitude for green products. The following hypothesis is examined using the Bootstrap mediation method"

**H<sub>1</sub>: "Customer's trust significantly mediates the relationship between the Interpersonal Influence and customer attitude for green products"**

The SEM diagram used to test the mediation effect and the statistical results of the mediation test are shown below.



Type of effect	Standardised Path Coefficient	P value	Conclusion
Total Effect of II to CA	0.709	0.011	Significant total effect found
Indirect Effect of II to CA Via CT	0.208	0.006	Significant total effect found
Direct Effect of II on CA	0.502	0.020	Significant total effect found
Variance accounted for (VAF) by Customer Trust as mediating variable	$0.208/0.709 = 29.33\%$		Weak partial mediation found

The results of the bootstrap mediation test shows that the customer trust on green products plays a significant partial mediation between the interpersonal influence and customer attitude for green products. The result indicates that the p value of the total effect in case of mediating relationship is found to be significant (standardised total effect = 0.709, p value = 0.011 which is less than five percent level of significance). This indicates the significant impact (as measured using total effect) of interpersonal influence on customer attitude on green products. In addition to this the indirect

effect of customer trust on green products between the interpersonal influence and customer attitude for green products also found to be significant (standardised indirect effect = 0.208, p value = 0.006) which is less than five percent level of significance. The result indicates that both the indirect as well as direct effect is found to be significant. Thus, partial mediation effect of customer trust on green products between the interpersonal influence and customer attitude for green products is concluded. The VAF is found to be 29.33 % which indicate the presence of week mediation

effect of customer trust for the relationship between the interpersonal influence and customer attitude for green products.

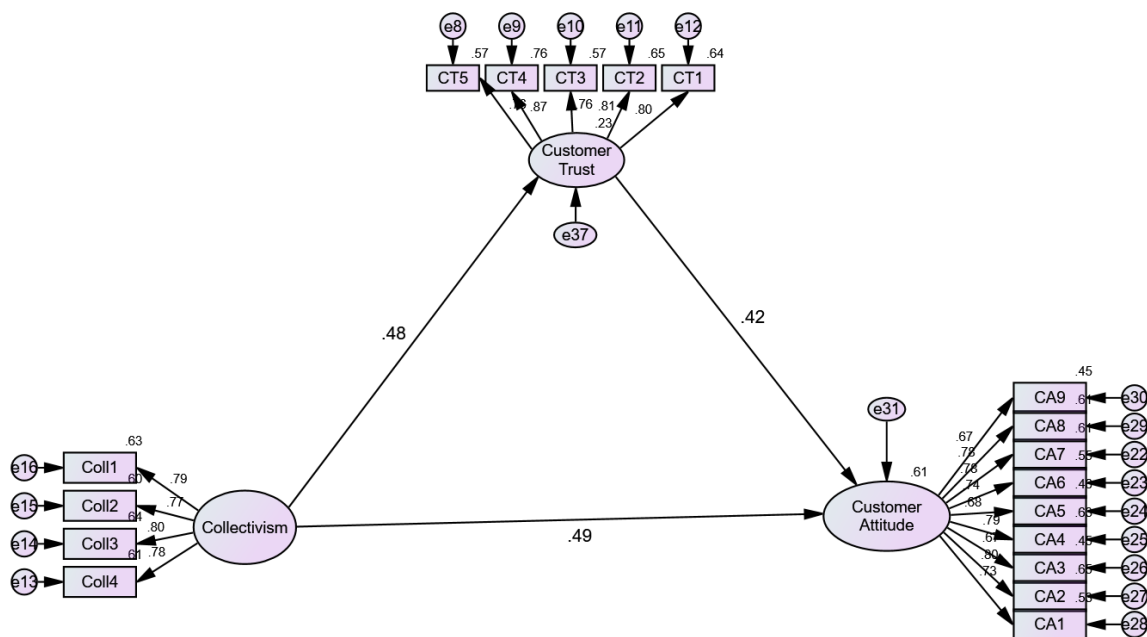
### 3.2 Customer Trust as mediating variable between Collectivism and Consumer attitude for green products

The group behaviour of the consumers found to have significant impact in building the customer attitude for the green products. The customer trust is also found to be influenced by the collectivism of the customers which is significantly affecting the customers' attitude. In the study the direct as well the indirect effect of the collectivism of customers is studied on customer attitude assuming the customer trust as a mediating variable. In the study the collectivism is the exogenous factor which

influences the customer trust and customer attitude for green products. In the study the bootstrap method is used in the study in order to examine the mediating role of customer trust for the relationship between collectivism and customer attitude for green products. The following hypothesis is examined using the Bootstrap mediation method"

#### H<sub>2</sub>: "Customer's trust significantly mediates the relationship between the collectivism and customer attitude for green products"

The SEM diagram used to test the mediation effect and the statistical results of the mediation test are shown below.



#### Mediation results

Type of effect	Standardised Path Coefficient	P value	Conclusion
Total Effect of Collectivism to CA	0.690	0.009	Significant total effect found
Indirect Effect of Collectivism to CA Via CT	0.202	0.007	Significant total effect found
Direct Effect of Collectivism on CA	0.488	0.007	Significant total effect found
Variance accounted for (VAF) by Customer Trust as mediating variable	$0.202/0.690 = 29.27\%$		Weak partial mediation found

The results of the bootstrap mediation test indicate that the customer trust on green products plays a significant partial mediation between the collectivism and customer attitude for green products. The result indicates that the *p* value of the total effect in case of mediating relationship is found to be significant (standardised total effect = 0.690, *p* value = 0.009, which is less than five percent level of significance). This indicates the significant impact (as measured using total effect) of collectivism on customer attitude on green products. In addition to this the indirect effect of customer trust on green products between the collectivism and customer attitude for green products also found to be significant (standardised indirect effect = 0.202, *p* value = 0.007) which is less than five percent level of significance.. In case of customer trust as the mediating factor, the direct effect of collectivism on customer attitude is 0.488. The total effect is further divided in to two components: indirect effect (0.202) and direct effect (0.488). The result indicates that both the indirect as well as direct effect is found to be significant. Thus, partial mediation effect of customer trust on green products between the collectivism and customer attitude for green products is concluded. The VAF is found to be 29% which indicate the presence of weak mediation effect of customer trust for the relationship between the collectivism and customer attitude for green products.

#### 4. CONCLUSION

Thus it can be concluded that consumer trust has been an important element of the decision-making process. The trust of the buyers plays a significant role on making customer attitude towards green products. Customers are willing to pay premium price for environment friendly products only when they are sure that they are getting the value of their price paid. This study also make it clear that consumer trust plays a significant role as mediating factor between interpersonal influence and consumer attitude and collectivism and consumer attitude.

The study also throws light on the fact that people are very much influenced by their friends and co-workers and buy the green products only if those brands and products are being used by them. The customers believe that the brands which are offering green products

will also keep their promises and commitments for the environment protection. The organisations should avoid green washing and try to win the trust and confidence of customers

#### Limitations

There is limited research on environmental friendly attitudes and behaviour related to green products. Understanding of attitude of consumers towards green products can help companies in positioning their green product. However, there are few limitations related to the present study. The research focuses only on two factors i.e. Interpersonal Influence and Collectivism and mediating role of consumer Trust in making attitude towards green products. However there are many more factors that influence the attitude of consumers toward green products and those factors could not be taken up in this study due to paucity of time and resources.

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