

Green Promotional Practices and Customer Green Purchase Intention: The Moderating Role of Corporate Green Image

TRAN THI BICH HANH (Ph.D)

Department of Business, Swinburne Vietnam, FPT University, Hanoi, Vietnam

*** Corresponding author**

**This research is funded by Vietnam National Foundation for Science and Technology Development (NAFOSTED) under grant number 502.02-2019.17

Thi Bich Hanh Tran is the Head of Department of Business in Swinburne Vietnam, FPT University, Vietnam. Her research interests include behavioral marketing, branding, relationship marketing, and internal marketing. Her articles appear in *Social Behavior & Personality*, *Journal of Management & Organization*, *Journal of Happiness Studies*, *Total Quality Excellence & Business Excellence*, and *Psychology & Marketing*.

Abstract: This study investigates the moderating role of perceived corporate green image in the relationship between green promotional practices and customer green purchase intention. The study attends to the specific green promotional practices in the service stores including green advertising, green service scape, green loyalty programs, green human, green instructional materials, and green labels. The data were collected from 154 dyads of customers and employees of service stores in Vietnam through surveys. The results show that perceived corporate green image is a significant moderator in the effect of green publicity on customer green purchase intention. Corporate green image does not significantly moderate the effects of green packaging, green human, green loyalty programs on customer purchase intention. The study is pioneering research in examining corporate green image as the moderating factor for customer green purchase intention while focusing on the service contexts or the customer interactions in the moments of truth. With the empirical findings of Vietnamese context, an emerging economy with a dramatic increase in the number of enterprises in the service sectors, the study suggests useful managerial implications for enterprises in Vietnam in particular and to the service companies in general.

Key words: green promotion practices, corporate green image, green purchase intention

1. Introduction

With an increasing worldwide attention to sustainability, enterprises are striving to apply green marketing practices, and this may drive more customer green consumption behaviors. A rigorous literature review shows that there exists a large number of studies exploring the activities or practices applied by enterprises that directly link to customer green purchase intention. Nonetheless, the number of studies on moderating effects

on green consumption behaviors is quite limited. Some studies have touched upon the moderating effects of personal factors of customers per se and contextual factors. As for customer personal factors, research has documented moderating effect of perceived consumer effectiveness (Kim, 2011) and perceived behavioral control (Kim & Chung, 2011). For contextual factors, economic, social, political, and technological factors have been found related (Nair & Little, 2016).

Concerning moderating influences of organizational factors as perceived by customers, while some studies show the significant direct impact of corporate green image on consumer green consumption behaviors, few studies have been detected on the moderating role of corporate green image between green promotion activities and green consumption behaviors. In other words, no studies have examined the interaction between green promotion activities by firms and their green image on customer purchase intention. With the growth of middle class consumers in markets thanks to development of economies and improved quality of life, particularly in emerging economies like Vietnam, consumers pay increasing attention on corporate image or brand in their selection of products. In parallel to this, companies also strive for creating a positive corporate image to the consumers through differentiating their offerings and positioning. As for Vietnam context, in a study of Mai Linh taxi, Nguyen (2010) stressed the significance of building green image for firms in Vietnam. The study, nonetheless, did not investigate the moderating role of a strong corporate green image for customer green consumption behaviors. Meanwhile, two studies have been found about moderating effects on green consumption behaviors, but both of these studies focused on the linkage between green consumption intention and green consumption behaviors (Vu et al., 2012; Hoang, 2017). In response to both firm's and consumers' attention to corporate image and integrating this into the green consumption context, the present study attempts to discover whether the effect of green promotion practices on customer green purchase intention becomes more pronounced in a firm with a strong corporate green image.

2. Theoretical background

Green promotion practices

Green promotion entails firm's presentation of products and brand in an eco-friendly way. Prior research has attended to various practices for green promotion. The most popularly studied can be green advertising (i.e. advertising with environment-friendly images and contents) and eco labels. For service enterprises, in the service environments where moments-of-truth occur, green service scape, green human, green packaging, green loyalty programs and green publicity have been found to closely relevant to customer green consumption (Bastic & Gojcic, 2012; Mishra & Gupta, 2019).

Green service scape entails the environment of the store with environment-friendly factors such as green layout and design (i.e. eco-friendly furniture and decorations) and green atmospherics (i.e. fresh air, nature-closely fragrance) (Mishra & Gupta, 2019). Green human of service enterprises refer to staff with eco-friendly behaviors and competent knowledge of green products (Bastic & Gojcic, 2012; Mishra & Gupta, 2019). This means that staff are well-trained in practicing eco-friendliness and well explain green features of products/services. Green packaging refers to uses of recycling or environmentally friendly materials for packaging products (Singh & Pandey, 2018; Azevedo et al., 2011; Zhu et al., 2013; Molina-Besch & Palsson, 2016). Green loyalty programs refer to structured marketing efforts which reward and encourage loyal behaviors of customers for purchasing green products or services (Sharp & Sharp, 1997). Loyalty programs can offer both hard benefits like rewards and soft benefits like recognition (Liu & Mattila, 2016). Green publicity refers to activities of firm for publishing environment-related information or messages to the public. This may involve presence in sponsoring for environment-related events, organizing displays, workshops, events that are related to green products or the environment.

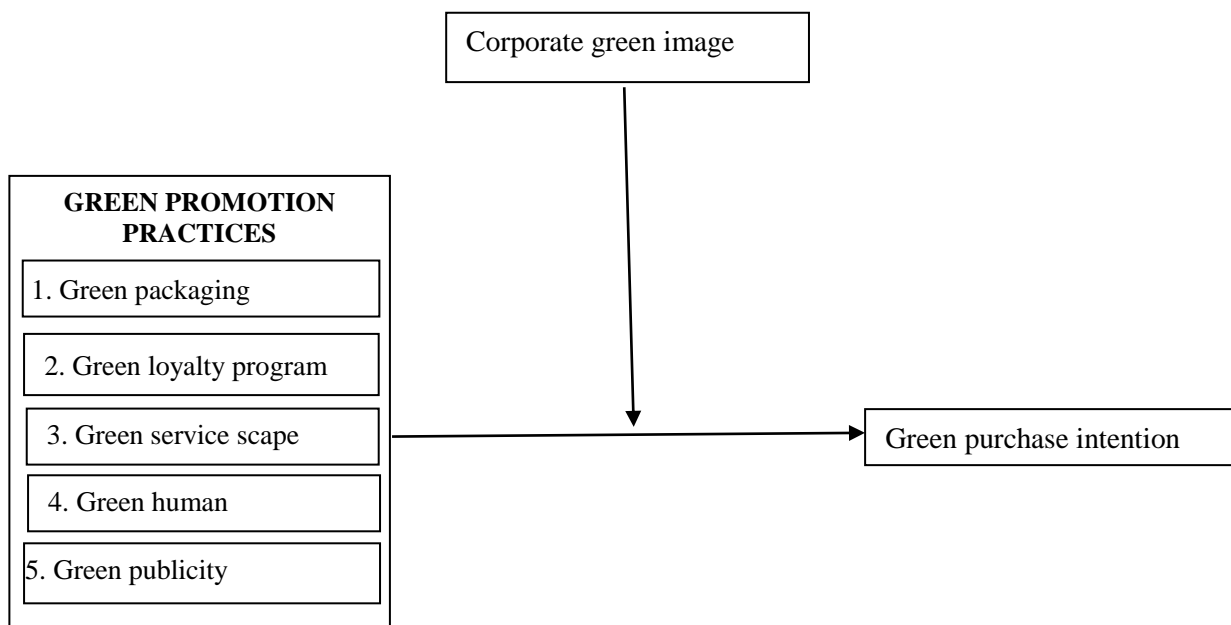
Corporate green image

Corporate green image is known as customer's perception of a brand in their mind that is linked to environmental commitments and environmental concerns (Chen, 2010). Chang and Fong (2010) and

Schwepker and Cornwell (1991) show that factors pertaining to brand image like green corporate image are related to customer involvement in green consumption. Similarly, Lin et al. (2017) found the positive linkage between corporate green image and green brand loyalty. This study proposes that in a service environment, green promotion practices like green service scape, green human, green loyalty programs, and green packaging may be associated with customer green purchase intention, and this influence can be more pronounced if customer holds a positive green image of the company or brand. The reason can be that with a positive perception of corporate green image, customers may prefer brand and so having more motivations to purchase green products/services. Mourad and Serag Eldin Ahmed (2012) have disclosed that corporate green image increases customer’s preferences for a brand. Hence, the study proposes:

Hypothesis 1: Corporate green image positively moderates the relationship between green promotional practices in service stores by firm (a. green service scape; b. green packaging; c. green loyalty programs; d. green human; e. green publicity) and customer green purchase intention.

Figure 1: The Proposed Research Model



3. Methodology

The study targeted the services stores of various service sectors including food and beverage, personal care product, and electronics industries in Vietnam. Two separate questionnaires (one for customer and one for store manager or staff) were distributed in person to customers and managers or staff in the service stores. Data from managers and customers of each store were randomly combined together as data units. 158 pairs of questionnaires were collected, but four pairs were deleted due to missing or wrong answers. The data from the questionnaires were synthesized and displayed through descriptive statistics with frequency, percentage, and means, and regression analyses. SPSS was used to perform the analyses.

Green service scape was measured with 3 items developed by Mishra and Gupta (2018). One sample item is “decorations and interior designs in the store are environmentally friendly”.

Green packaging was measured with 3 items adopted from prior research (Singh & Pandey, 2018; Azevedo et al., 2011; Zhu et al., 2013; Molina-Besch & Palsson, 2016). One example item of this is “Our company use environmentally friendly packaging”. Measure of green loyalty program has five items synthesized from Bridson et al. (2008) and Yi and Jeon (2003). A sample item is ‘Our company provides membership rebates

(including gift vouchers, member discounts, free coupons, free items, point cards) for loyal customers of green purchases'. Green human was measured with 4 items adopted from Mishra and Gupta (2019) and Daunt and Harris (2011). One sampling item is "The service staff seemed competent in maintaining environmental friendliness." Four items adopted from Wirtz et al. (2013) were used to measure green publicity. An example is 'Our company has press release of green consumption'. Measure of corporate green image includes 4 items adopted from Chang and Fong (2010). One example of this measure is "This company has sufficient abilities to meet the green needs of customers". Green purchase intention was measured with three items adapted from Kim et al. (2013). A sampling item is 'I am willing to purchase green products of this brand for personal use.' Five practices of green promotion by enterprises were measured on staff of companies while perceived corporate green image and green purchase intention was measured on customer in service stores.

4. Results

The Cronbach's alphas of the variables were all higher than .70, suggesting that the measures of the study's variables have adequate reliability. Correlational matrix shows that there are significant correlations amongst most of the variables.

Table 1: Correlational matrix

Variables	Means	S.D.	1	2	3	4	5	6	7
1. Green packaging	4.362	.667	.783						
2. Green loyalty program	3.768	.739	.226*	.840					
3. Green service scape	4.273	.526	.264**	.214**	.791				
4. Green human	4.292	.538	.334**	.055	.543**	.768			
5. Green publicity	3.818	.643	.190*	.688**	.017	.048	.703		
6. Corporate green image	3.721	.628	.267**	.118	.125	.382**	.302**	.786	
7. Green purchase intention	3.913	.634	.286**	.252**	.110	.242**	.295**	.459**	.750

To test the effects, the study proceeds with regression analyses with SPSS. For testing the proposed moderating effects, the variables were mean-centered and then multiplied to form interaction between independent variables and moderating variable. The data shows that amongst the five factors of green promotion practices in the services store, green packaging, green loyalty programs, green human, and green publicity have significant direct effects on customer green purchase intention, while green service scape does not yield a significant effect. For the moderating effect of corporate green image, the significant influence is only captured for green publicity ($\beta = .327$; $p < .001$) while the other three practices do not have significant interaction with corporate green image. This result shows that green publicity is conducive to customer purchase intention, and this effect becomes more robust if customer perceives high corporate green image. This suggests that companies should pay attention to organizing events showcasing green products and related to the environment to the public and also building green brand image.

Table 2: Results from regression analyses

Independent variables	Green purchase intention
1. Green service scape	.133 ^{n.s.}
2. Green packaging	.272 ^{***}
3. Green loyalty program	.291 ^{***}
4. Green human	.286 ^{**}

5. Green publicity	.216 ^{**}
6. Corporate green image	.223 ^{***}
7. Green service scape * Corporate green image	.040 ^{n.s.}
8. Green packaging * Corporate green image	-.023 ^{n.s.}
9. Green loyalty program * Corporate green image	.049 ^{n.s.}
10. Green human * Corporate green image	-.089 ^{n.s.}
11. Green publicity * Corporate green image	.327 ^{**}

5. Discussion and conclusion

With a focus on service environment, the study examines the moderating role of corporate green image in the relationship between green promotional practices that are widely applied in the service stores and customer green purchase intention. The data were collected from employees and customers in the form of dyads with two separate surveys. The results show that except for green service scape, the four other green promotion practices including green loyalty programs, green packaging, green human, and green publicity are significantly associated with green purchase intention by customers. But corporate green image only plays a significant moderating role in the relationship between green publicity and customer green purchase intention. This finding is in support of discussions by prior research (Chang & Fong, 2010; Schwepker & Cornwell, 1991) to which corporate green image has been linked to customer involvement in green consumption. Nevertheless, corporate green image does not serve as a significant moderator with green service scape, green human, green loyalty programs, and green packaging.

The study extends the extant literature with the investigation of the moderating effect of corporate green image while there exists a wide range of studies examining the direct effect of corporate green image on customer green consumption behaviors in general. In addition, this study adds empirical evidence of service enterprises in Vietnamese context – an emerging market that is increasingly receiving much attention of foreign investors and also has a recent dramatic increase of service stores. With the findings, the study offers valuable practical implications for enterprises. First, managers should be aware of the significant impacts of green promotional practices including green loyalty programs, green human, green publicity and green packaging as they are linked to customer green purchase intention. As such, companies should have more focus for applying these into the service contexts, for example devising appealing green loyalty programs, providing appropriate training for staff to have knowledge, skills, and appearance that reflect environmental orientation of the brand. Also, companies should also apply green packaging as customers care about that to decide for purchases. Furthermore, as corporate green image is a significant moderator in the relationship between green publicity and purchase intention, companies should also focus on branding so that they are perceived to be a positive green brand by customers. This suggests that there should be more investment into building green brands as customers care about involvement of enterprises in public environment-related events. This can be done through PR or viral campaigns with a focus on showcasing aspects of green brand image. Ideally, companies should reach to the large communities or society at large to build a positive green brand image through some environmental-related campaigns and events.

The study has some limitations. First, the data were only collected in Hanoi capital with the rather small number of the companies involved and the data units, so its generalizability is restricted. Suggestively, future research should collect data in larger scale and scope for better generalizability of the findings. Second, though the study selected the most prominent factors in the service contexts to study, an examination of all the relevant factors presenting in the service environment can offer a more comprehensive evaluation of the phenomenon. Henceforth, future research may include more practices of green promotion or green marketing to examine.

6. References

1. Bastic M., & Gojcic S., (2012), Measurement scale for eco-component of hotel service quality. *International Journal of Hospitality Management*. 31,(3), 1012-1020.
2. Bridson, K., Evans, J., Hickman, M. (2008). Assessing the relationship between loyalty program attributes, store satisfaction and store loyalty. *Journal of Retailing and Consumer Services*, 15(5), 364-374.
3. Chang, N., & Fong, C. (2010). Green product quality, green corporate image, green customer satisfaction, and green customer loyalty. *African Journal of Business Management*, 4(13), 2836-2844.
4. Hoàng. T. B. T. (2017). Nghiên cứu những nhân tố tác động tới mối quan hệ giữa ý định và hành vi tiêu dung xanh của người tiêu dung tại Việt Nam. Luận án tiến sĩ, Trường Đại học Kinh tế - Đại học Quốc gia Hà Nội.
5. Kim, Y. (2011). Understanding Green Purchase: The influence of collectivism, personal values and environmental attitudes, and the moderating effect of perceived consumer effectiveness. *Seoul Journal of Business*, 17(1), 65-92.
6. Kim, H. Y., & Chung, J. (2011). Consumer purchase intention for organic personal care products. *Journal of Consumer Marketing*, 28(1), 40-47.
7. Mishra, A., & Gupta, A. (2019). Green hotel servicescape: attributes and unique experiences, *Current Issues in Tourism*, 22(20), 2566-2578.
8. Molina-Besch, K., & Pålsson, H. (2016). A supply chain perspective on green packaging development-theory versus practice. *Packaging Technology and Science*, 29(1), 45-63.
9. Nair, S. R., & Little, V. J. (2016). Context, culture and green consumption: A new framework. *Journal of International Consumer Marketing*, 28(3),169-184.
10. Schwepker Jr., C. H., & Cornwell, T. B. (1991). An examination of ecologically concerned consumers and their intention to purchase ecologically packaged products. *Journal of Public Policy and Marketing*, 10 (2), 77-101.
11. Vũ, A. D., Nguyễn, T. H., & Nguyễn, T. N. A. (2012). Phát triển mô hình giả định các yếu tố ảnh hưởng đến hành vi tiêu dung xanh. *Những vấn đề Kinh tế và Chính trị Thế giới*, 194(6), 14-25.
12. Yi, Y., & Jeon, H. (2003). Effects of loyalty programs on value perception, program loyalty, and brand loyalty. *Journal of the Academy of Marketing Science*, 31(3), 229-240.
13. Zhu, Q., Li, Y., Geng, Y., & Qi, Y. (2013). Green food consumption intention, behaviors and influencing factors among Chinese consumers. *Food Quality and Preference*, 28(1), 279-286.

INFO

Corresponding Author: [TRAN THI BICH HANH \(Ph.D\)](#), Department of Business, Swinburne Vietnam, FPT University, Hanoi, Vietnam.

How to cite this article: [TRAN THI BICH HANH \(Ph.D\)](#), "Green Promotional Practices and Customer Green Purchase Intention: The Moderating Role of Corporate Green Image", *Asian. Jour. Social. Scie. Mgmt. Tech.*2023; 5(3): 270-275.