

**FACTORS AFFECTING MALAYSIAN GENERATION Y'S GREEN BRAND
PERCEPTION AND PURCHASE DECISION**

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ABSTRAK

Kajian ini bertujuan untuk mengenal pasti faktor-faktor yang mempengaruhi persepsi jenama hijau di kalangan generasi Y di Malaysia. Kajian ini akan mengenalpasti faktor-faktor yang berhubung kait dengan persepsi jenama hijau, dan ini termasuk harga premium, susunan mesej hijau mudah, susunan mesej hijau berlebih, kepadatan personaliti jenama hijau dengan prinsip hijau organisasi serta kesedaran alam sekitar. Di samping itu, kajian ini juga akan menyelidik kesan pengantaraan faktor jantina serta tahap pendidikan generasi Y ke atas hubungan antara lima faktor utama dengan persepsi jenama hijau. Selain itu, hubungan persepsi jenama hijau serta keputusan pembelian akan turut dikaji. Pendekatan kuantitatif telah dipilih untuk menjalani kajian ini dan sebanyak 256 borang soal-selidik diterima serta diproses. Pengaturcaraan statistik SPSS telah digunakan untuk menganalisa data-data yang telah dikumpulkan. Hasil kajian menunjukkan harga premium, susunan mesej hijau yang mudah serta kesedaran alam sekitar memainkan peranan yang penting ke atas persepsi jenama hijau. Namun, faktor jantina serta tahap pendidikan generasi Y tidak menyumbangkan kesan yang signifikan keatas perhubungan antara lima factor dikaji dengan persepsi jenama hijau. Di samping itu, persepsi hijau didapati mempengaruhi keputusan pembelian kalangan generasi Y.

ABSTRACT

The main purpose of this study is to examine the factors affecting Malaysian generation Y's green brand perception. This research will attempt to determine factors that have significant effect on the perception of green brand under the influence of premium price, simple green message setting, excessive green message setting, consistency between green brand personality and firm's green principles and subject's environmental consciousness. Besides, this study will also investigate the role of moderating factors such as gender and educational level on the influence of relationship between five independent variables and green brand perception. This study also attempts to study the relationship between green brand perception and purchase decision. This research adopts quantitative approach with collected samples of 256 respondents through direct questionnaires method. SPSS statistical tool was used to test the descriptive and regression statistics. Results show that premium price, simple green message setting and subject's environmental consciousness are significantly relate to green brand perception. Nevertheless, gender and educational level are found not having significant moderating effect between independent variables and green brand perception. Whereas, green brand perception is significantly relate to purchase decision.

CHAPTER 1

INTRODUCTION

1.0 Background of Study

The research in the area of green branding is limited although the idea was first coined many years back. More and more marketers have started to embark on this green bandwagon due to growing awareness resulted from changes in regulations, education system and environmental standards such as ISO 14001. Therefore, the need for consumer to look for green brand product is expected to create new market demand in the near future. Marketers who are able to understand the factors influencing green brand will stand a better chance to compete in this highly competitive market. Marketers who are able to capitalize on this market trend is expected to gain more profit (Johri & Sahasakmontri, 1998).

Generation Y are those populations born in year of 1980 to 1994 (Archana & Heejin, 2008). Generation Y is an important consumer market segment in future as the statistics in 2009 revealed this group of population will represent approximately 26 to 30 % of total global consumer market, equivalent to trillions of dollar market worldwide (Leong, Lee, & Ang, 2009). Generation Y had been considered as group with high income at their disposal (Morton, 2002). It has been reported that generation Y who are green purchasers are willing to pay the premium for green products (Michel & Xu, 2009). Nevertheless, whether the same purchasing behaviors can be applied in the Malaysia context, further study on this area need to be carried

out to verify this statement. The reason is green purchasing behavior might be influenced by some other factors such as gender, educational level, level of income of the individual and quality of environment that individual is living in and others.

Green message is message that contains environmental friendly information with usage of environmental terms (Font & Buckley, 2001). For generation Y, contents of the green message setting for a particular green brand are equally important as this population group is born in the era of internet. The green message associated with the brand must be credible and able to deliver the promise of green value as perceived by generation Y. This is due to generation Y is technology savvy group and all related information can be obtained at their fingertips with the help of internet. Any mismatch between brand personality and brand perception of a green brand may affect generation Y's purchase decision.

Besides, how capable a green brand is able to deliver the value as promised is still vague and subject to argument. For example, will generation Y continue to be loyal to the brand in the event the product was found to be not as green as what the manufacturer has promised. For example, usage of banned chemical in the product which is not environment friendly. The same question goes to, whether the firm owns a prominent green brand in the market place that failed to keep up with their green principles eventually lose out in the competition? Will all these inconsistency in brand personality cause negative impression to generation Y?

Given the significance of brand management in today's profit and not-profit organizations. Better understanding of green brand management is crucial to for the

survival of every organization. Strong branding will enable an organization to stay fit in the adverse market condition and achieve longevity in fast changing business condition. More and more organizations are found to collaborate with different green initiatives in an effort improve their reputation and market recognition. On this aspect, perception of consumer on green branding will provide some insights on whether green branding will pave the way for a sustainable future for all.

This study will focus on consumer IT electronic products for evaluation, which includes laptop, printer, iPod etc. Information Technology (IT) products was chosen because it is a potential emerging market especially in Asia countries with increasing in trend of PC adoption (Dedrick, Kraemer, & Seever, 2007). Usage of green IT equipment such as energy savings gadgets favored the consumer as it is perceived as beneficial to them (Bradbury, 2008). Since generation Y is technology savvy group, the boom in IT gadgets is greatly supported by this group of population (Leong et al., 2009).

This research will determine which factors will have significant effect on the perception of green brand under the influence of premium price, consistency in green brand personality-firm's green principles, simple green message setting, excessive green message setting and subject's environmental consciousness.

It was reported that generation Y is population group with higher spending power (Cui, S., Sullivan, & Matiru, 2003). The premium price factor will set to determine whether generation Y is willing to spend more by paying premium price on green brand product. Organizations that found communicating superficially on green

effort will unlikely to success in the market, as they need to work out green to reflect their level of commitment (Cleveland, Kalamas, & Laroche, 2005). This finding triggered the intention to study whether generation Y will select green brand products, by taking into the consideration of consistency in green brand personality and a firm's green principles. The influence of advertising message will affect consumers' behaviour significantly (Hyllegard, Ogle, & Ruoh-, 2009). Therefore, will simple of excessive green message is preferable to generation Y. It was also reported that green consumer would tend to choose for green brand products (Chatterjee, 2009). This finding sparked the interest to study whether generation Y that are environmental conscious will favor selection of green brand product.

Besides, this study will also investigate the influence of moderating factors such as gender and educational level on the relationship between the factors mentioned (premium price, simple green message setting, excessive green message setting, consistency in green brand personality-firm's green principles and subject's environmental consciousness) towards green brand perception.

1.1 Problem Statement

This study will investigate factors that affecting green brand perception, that eventually lead to purchase decision of generation Y in Malaysia. The study of green branding has become one of the major current research topics as environmentalism has emerged as the hot issue of global concern. More and more consumers believe their purchase behavior will have direct impact on ecological problems (Mostafa,

2007). Therefore, this research has managed to spark the interest of many researchers in global, and similar research in Asia has started to gain momentum. However, even though environmentalism has caught up in many Asia countries including Malaysia, the research involving green brand and consumer purchase behavior in Malaysia remained noticeably low.

Research data that focus on Malaysians' data is important as the economic condition, educational system and level of environmental consciousness among Malaysian is indeed different from those in other countries, and will such differences affect the adoption of green brand products and purchase decision? Most empirical studies related to green brand are mainly conducted in United States and other developed countries. Therefore, to what extent the influence of green brand product affect the population in Asia countries, and more importantly to Malaysia. Using Malaysia as research background is worth exploring in detail as success of green movement involves participation from all countries. Thus, research conducted in Asian countries would promote rapid assimilation of green movement between the East and West.

Generation Y has attracted the attention of varied research groups in different disciplines. Generation Y has become the legitimate targets of research in similar form, mainly due to this group of population comprises of large demographic segment of consumers with high spending power. It also represents a very lucrative consumer market segment that can be tapped from (Rugimbana, 2006). It is estimated the population of generation Y comprises of around 40% of Malaysia population group (Leong et al., 2009), or in the circa of 11 million population as at 2009 (Khalid, 2009).

Nevertheless, limited green marketing research available conducted on generation Y in Malaysia's context suggests the area is worth exploring in predicting generation Y's green purchase behavior.

1.2 Research Questions

In order to achieve the above-mentioned objectives, this study will try to answer the following research questions:

1. Does premium price, consistency in green brand personality-firm's green principles, simple green messages setting, excessive green messages setting and environmental consciousness significantly affect generation Ys' green brand perception in Malaysia?
2. What is the relationship between green brand perception and purchase decision of generation Y in Malaysia?
3. Does gender moderate the relationship between premium price, consistency in green brand personality and firm's green principles, simple green messages setting, excessive green messages setting, environmental consciousness and green brand perception of generation Y in Malaysia?
4. Does educational level moderate the relationship between premium price, consistency in green brand personality-firm's green principles, simple green messages setting, excessive green messages setting, environmental consciousness and green brand perception of generation Y in Malaysia?

1.3 Research Objectives

This study attempts to accomplish eight main objectives as follows:

1. To gauge whether premium price factor influence generation Y's green brand perception.
2. To determine whether consistency in green brand personality and firms' green principles used by marketer will influence generation Y's green brand perception.
3. To investigate whether simple green messages setting influence generation Y's green branding perception.
4. To investigate whether excessive green messages setting influence generation Y's green branding perception.
5. To gauge whether environmental consciousness influence generation Y's green brand perception.
6. To examine the relationship between green brand perception and generation Y's purchase decision.
7. To analyze whether gender moderates the relationship between (1) premium price, (2) consistency in green brand personality-firm's green principles, (3) simple green messages setting, (4) excessive green messages setting, (5) environmental consciousness and green brand perception.
8. To analyze whether educational level moderates the relationship between (1) premium price, (2) consistency in green brand personality-firm's green principles, (3) simple green messages setting, (4) excessive green messages setting, (5) environmental consciousness and green brand perception.

1.4 Definition of Key Terms

Table 1.1

Definition of Key Terms

Terms	Definition	Sources
Brand	A name, term, sign, symbol, design or a combination of them, intended to identify the goods or service for ease of differentiation.	(Kotler & Keller, 2009)
Green Brand	Brand which offers significant eco-advantage.	(Grant, 2008)
Brand Perception	Ability to identify the brand under different condition defined by their brand recognition or recall performance.	(Wonglorsaichon & Sathainrapabayut, 2008)
Generation Y	Individual born in year 1980 to 1994. (Note: Shared range in common by various authors from Malaysia and other countries)	(Focsht, Schloffler, Maloles, & Chia, 2009)
Premium Price	Excessive price paid over and above the fair price that is justified by the true value of the product	(Vlosky, Ozanne, & Fontenot, 1999)
Brand Personality	Set of human characteristics that consumers associate with a brand	(Arora & Stoner, 2009)
Environmental Consciousness	Level of environmental knowledge, attitude and behavior of an individual pertaining to general aspect of environmental phenomena	(Schlegelmilch, Bohlen, & Diamantopoulos, 1996)

1.5 Significance of Study

This study is important to outline the factors contributing to successful green branding as the awareness for green marketing has started to gain momentum,

especially in Asian countries. This study will facilitate and expedite the participation in green marketing among consumers and marketers, as understanding the factors associated with green branding will enhance marketers' marketing program and refine their marketing strategy to achieve the required results in a more cost effective way. According to Keller and Lehmann (2006), understanding of effective brand management has become the outmost priority for all types of organizations in the last decade. The rationale behind is brand has been perceived as the most valuable intangible assets that a firm has, therefore it is crucial for a firm to understand the challenges that associated with brand management and to keep pace with such changes.

The focus on generation Y is essential as this group of population will soon dominate the consumer market as the baby boomer aging. Better understanding on the purchasing behavior of generation Y will assist the marketer to come up with the right product to fulfill their needs. Through the understanding and research conducted on green branding, the marketer will be able of persuade and convince their customers, especially the younger generation to "go-green". Besides, it is beneficial for policy makers and marketers to gain sustainable profit in the long run.

This study will also fill in the gaps associated with consumer behavior related to green branding in different region. Thus, it will provide some reference for researchers that seek to look for solution to environmental problems to gain a detailed understanding on why consumers undertake pro-environmental behavior. This is because pro-environmental activities involves behavioral change of an individual and all these has close connection with marketing (Mostafa, 2007).

In terms of contribution to community, this study will serve as the base study to convince younger generation, especially the generation Y to support green brand and green marketing movement. This can be achieved via better understanding of generation Y's perception on green message setting posted by marketers, and the influence of environmental consciousness on their purchase behavior. If the belief of the younger generation towards green brand continues to grow, this will have "chain reaction" over the whole supply and demand chain. Not only all manufacturers will start to make changes to come up with more environmental friendly processes, system or products. The "go-green" trend will be able to craft a better future and for the betterment of mankind.

1.6 Organization of Remaining Chapter

This study is organized into five chapters. The first chapter is all about the introduction and background of green brand and the target group, generation Y. The first chapter also defines the problem statement of the study, sets the objectives of the study, outlines the research questions, defines the key terms and highlights the significance of the study.

The second chapter reviews literature of previous studies on brand, green brand, brand perception, premium price, brand personality, firm's green principles, green message setting, environmental consciousness and profile of generation Ys'. The proposed theoretical framework is constructed at the end of the second chapter.

The third chapter discusses the research methodology in this study, which covers research design, variables, sample, procedure, measures, data analyses and summary. The fourth chapter covered analysis of data using SPSS and the fifth chapter includes discussion on the findings, implication of the findings towards theory and practices, limitation on this study, future research and conclusion.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

This research will focus on factors such as premium price, consistency between green brand personality and firm's green principles, simple green message setting, excessive green message setting, environmental consciousness and its relation with green brand perception. The study will also try to establish the relationship between green brand perceptions and purchase decision. Other than this, demographic factors will also be studied to observe whether it will affect the relationship between independent variables under studied and green brand perception.

2.1 Review of the Literature

2.1.1 Brand

According to the definition of American Marketing Association, a brand is defined as "a name, term, sign, symbol, design or a combination of them, intended to identify the goods or services of one seller or a group of sellers and to differentiate them from those of competitors" (Kotler & Keller, 2009, p. 276).

A brand offers differentiation to customers on the sources of products, and act as a protective medium to distinguish products from competitors that appears to be identical (Low & Charles, 2000). Over the years, knowledge on power of brands in

influencing consumer purchase decision has sparked great interest to many marketing researchers (Francisco, Teodoro, Francisca, & Paloma, 2006). The reasons behind are brand is intangible and it provides the source of competitive advantage for a firm (Ghodeswar, 2008; Rajagopal, 2008). Besides, brand also offers added value to firm and consumer. Brands interrelate in different form, the most prominent key perspectives on these interactions can be classified into two categories, customer and brand owners' perspective (Jevons, Gabbott, & de Chernatony, 2005). Over the years, brand itself also undergone series of evolution that is closely linked to evolution of human (Hirschman, 2010).

Though brand is regards as intangible item, but brand also subject to changes from external forces such as market demand, consumer preferences, technological advancement and other factors. In order to stay competitive, continual review of different brand positioning strategy should be adopted to keep pace with the fast changing environment, and branding strategy that focus on attributes offering competitive advantage will outperform the competitors (Rajagopal, 2008). The statement in line with the findings reported by Ghodeswar (2008), that brands with high adaptability to environment will continue to survive and sustainable in the long run. In contrast, as reported by Ha (2004), a high level of brand trust is important to ensure sustainable customer loyalty in the long run.

2.1.1.1. Brand Association

Brand association is defined as “all brand-related thoughts, feeling, perceptions, image, experiences, beliefs, attitudes, and so on that linked to brand

node” (Kotler & Keller, 2009, p. 205). A set of well-defined brand associations is crucial for the development of rich and clear brand identity. In order to construct a good brand association, the best way is to establish an in depth understanding on their brand and benchmarking their brand association with their competitors through extensive customer research (Ghodeswar, 2008).

It is suggested that the marketer needs to firstly identify which attributes in brand association are perceived to be of important value to the consumer for their product category or range. This is because such understanding is needed to formulate the relative competitiveness that the product or services needs to achieve differentiation from competitor’s offering (Puth, Mostert, & Ewing, 1999). The previous statement is in sync with Ghodeswar (2008) findings, that brand strength associated with beliefs and values are the most powerful and hard to imitate by competitors.

2.1.1.2. Green Brand

Green brand is defined as “brand which offers a significant eco-advantage over the incumbents and able to attract consumer who set high priority to be green in their purchase” (Grant, 2008, p. 25). A green brand consists of a set of attributes and benefits that associated with reduced adverse environment impact and able to create positive impression to consumers on raising their environment concern (Hartmann & Ibáñez, 2006).

Although extensive study and research had been conducted by many researchers over the past three decades on green marketing, the research focus on green branding is indeed limited (Hartmann & Ibáñez, 2006). Nevertheless, research in this area is legitimate as Kaman (2008) observed the trend of “going-green” has extended to Asian region, mainly due to heightened awareness of local government. As reported by D’Souza and Taghian (2005), the influx of green brands in the market due to consumer demand has crafted new marketing boundary for marketers to compete in. Similar observation was reported by Paco and Raposo (2009), indicating that green consciousness had unlocked new market segment for green consumers and emergence of green brand. However, proper strategies need to employ with green brand to achieve the desired impact on consumer.

In search for an effective method in communicating green brand, it was reported that active communication is crucial in determine the success rate of launching a green product (Hartmann, Ibáñez, & Sainz, 2005). Green brand attributes associated with the products that failed to communicate actively to consumer will not be successful commercially. Grant (2008) mentioned that majority of successful green brands are either based on alternative technology or company that runs on green principles. The reason is green brand adoption process by consumer involved factual evaluation that span from various aspects.

The research conducted by Patrick Hartman and Ibáñez (2006), had identified that the effective strategy to position green brand is via emotional positioning. As reported in their research, positive emotional ties will evoke emotions of specific target group whenever they are exposing to information related to environmentally

sound product attributes. Such piece of information will arouse good feeling on consumers to purchase and use the product. This finding consistent with Johri and Sahasakmontri's work (1998), that consumers do like "green" messages as long as those messages are substantial and suites them.

Though some findings show positive relationship between the beliefs regarding the ecological performance of the brand and attitude towards the said brand. However, individuals who consider themselves to be ecologists may choose not to purchase a green brand product if the brand was perceived unable to mirror their ideology adequately (Francisco, Teodoro, Francisca, & Paloma, 2006).

2.1.2 Brand Perception

Brand perception is defined as "consumers' ability to identify the brand under different condition defined by their brand recognition or recall performance" (Wonglorsaichon & Sathainrapabayut, 2008, p. 387). Brand perception get in touch with consumer either via direct or indirect contact (Foscht, Maloles, Swoboda, Morschett, & Sinha, 2008). There are cases where consumers may develop different perceptions towards the brand, and this subject to the different relationship-intensity associated with it (Koll & von Wallpach, 2009). It was reported that characteristics of an organization or prominent people within the organization is able to transferred such characteristics to brand perception (Foscht et al., 2008). A few good examples are Steve Jobs of Apple Inc and Donald Trump of The Trump Organization.

In the research carried out by Bottomley and Doyle (2006), it was found that color in congruent with brand logo is able to enhance the perception of the brand as well as act as a dilution medium for brand identity. Besides, metaphor either in verbal or pictorial form are found to affect brand perception (Ang & Lim, 2006).

In another research, names may create associations and expectations to brand perception. In addition, these expectations may influence the interpretation of ambiguous information, but this process is likely to remain unconscious and will not be corrected. As quoted by Wänke, Herrmann and Schaffner *“The robustness of the effect was rather surprising and is at odds with theories from person perception and stereotype research. Apparently consumers fully adopt the Roman belief that “nomen est omen” (the name says it all), and marketers are well-advised to invest heavily in creating and testing product names”* (2007, p. 21).

2.1.3 Generation Y

Generation Y consumer are groups that born in the year of 1977 to 1994 (Bakewell & Mitchell, 2003; Broadbridge et al., 2007; Morton, 2002). Nevertheless, some researchers confined the group to those born in year 1977 to 1995 (Focsht et al., 2009). Whereas, generation Y was referred to population group born in year 1980 to 1994 (Archana & Heejin, 2008). They are also referred to as the internet or dot.com generation, echo boomers, millenials and Nexters. In the Malaysia context, generation Y refer to individuals born from 1980 onwards and who entered the workforce after 1 July 2000 (PricewaterhouseCoopers, 2009), those born since 1980 (Erickson, 2008),

those born between 1978 and 2000 (Uda Nagu, 2009). To accurately define the respondent in this study, the shared common range among authors were established. The shared range was also in sync with Archana and Heejin (2008) definition of generation Y.

Generally, this population group is being considered as tech savvy, early adopters of new technologies, extensive user of internet and eager to shop (Archana & Heejin, 2008; Broadbridge et al., 2007; Morton, 2002). Generation Y have also known to be as well-educated, upbeat, socially conscious self-reliant and entrepreneurial thinkers (Broadbridge, Maxwell, & Ogden, 2007).

Generation Y consumers are regards as the future market target group as it represent a significant consumer segment as reported by Archana and Heejin (2008), it accounts nearly 70 million people in USA as of 2008. While in Asia, this population group has grown from 648 million in 1995 to 729 million in 2006 (Karen & Ho Voon, 2007). It was reported that large population of generation Y will soon form the major force in the consumer marketplace and thus significant behavioral shift on consumer buying behavior is expected (Belleau, Summers, Xu, & Pinel, 2007). Generation Y is the emerging generation with significant disposal income (Archana & Heejin, 2008; Cui et al., 2003). This is due to the fact that this group of population have substantial buying power relative to their incomes (Focsht et al., 2009). Often, generation Y will base on emotional value when making choices in selection of brands (Dee & Eun Young, 2007). Similar findings was observed in Morton (2002) indicated generation Y tends to prefer brands which offers individuality.

Generation Y are brought up in the era where shopping is not considered as a simple act of purchasing. Generation Y was labeled as group that “born to shop” due to much exposure to advertising media and living in the era of internet (Bakewell & Mitchell, 2003). Since generation Y are the main user group of mobile data services, perceived quality and value through the usage of data services can be applied in green branding to achieve greater impact. According to Belleau, Summers, Xu, and Pinel (2007), in order to market the product to generation Y, creating a positive attitude on green purchase via Internet and other technological innovations is important.

Generation Y adults are savvy about marketing technique and expect marketers to be sincere in their marketing approaches (Cui et al., 2003). Therefore, it is best that marketers can combine the elements of emotional value in the electronic communication service to reach out for larger generation Y consumers. This is because emotional value has been identified as one of the critical factors that will have great control over generation Y’s choices for brand (Dee & Eun Young, 2007).

One important point is in the era of internet, geographic distance may not be a barrier for Generation Y consumers. It is possible to deliver promotional messages regarding product brands via the internet across nations. An adoption of effective e-tailing strategies could build strong brands with generation Y consumers who are internet-savvy.

2.1.4 Theory of Reasoned Action

The theory of reasoned action (TRA) was developed in 1967 by Icek Ajzen and Martin Fishbein. According to the theory, the most important determinant of a person's behavior is behavior intent. The individual's intention to perform a behavior is a combination of attitude toward performing the behavior and subjective norm. In other words, the theory of reasoned action is based on the principle that individuals are rational and tends to systematically make use of information available to them to perform an action (Belleau et al., 2007). At later stage, the influence of external factors was incorporated and used by many researchers to overcome the limitation of the theory.

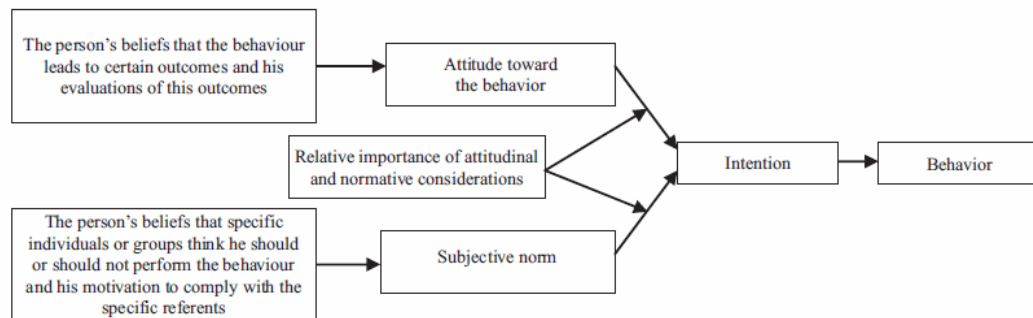


Figure 2.1. Theory of Reasoned Action
Source: Ajzen and Fishbein (1980)

The theory of reasoned action has been widely used by several researches for research in marketing context, such as to evaluate the intention to purchase halal product (Lada, Tanakinjal, & Amin, 2009), evaluate purchase intention of leather product by generation Y (Belleau et al., 2007), in determining brand loyalty (Ha, 1998), hotel marketing strategy (Buttle & Bok, 1996) and alcohol-free beer consumption (Thompson & Thompson, 1996).

Previous research indicated that external variables such as demographics, traditional attitudes toward targets, and personality traits might influence behavioral intention (Belleau et al., 2007). The factor of environmental consciousness is the attitude that guides the behavior of a person. Thus, the factor of environmental consciousness on green brand perception in theoretical framework can be explained with this theory. A person's belief that by embracing environmental friendly practices will preserve environmental sustainability will trigger a person's purchase decision and brand choices. Nevertheless, the factor of subjective norm is not applicable to the theoretical framework for this study.

2.1.5 Engel-Kollat-Blackwell Model

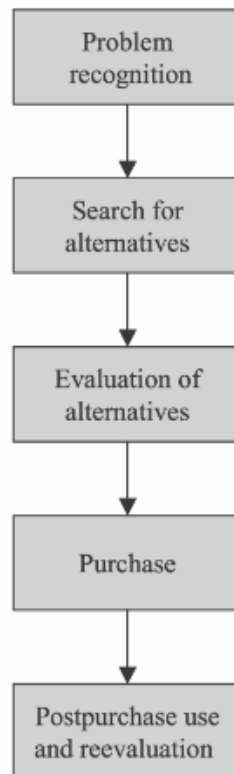


Figure 2.2. Engel-Kollat-Blackwell Model
Source: Adapted from Engel, Kollat, and Blackwell (1978)

The Engel-Kollat-Blackwell Model was first introduced in 1978. The model explained the consumer purchase process by started off with need recognition, followed by information search, evaluation of information available from various channels, purchase decision, outcome attributed from the consumption, and finally the post-purchase behavior. Nevertheless, time factor is another crucial factor that might affect the consumer purchasing process, which was not raised in the development of such theory (Vrontis & Thrassou, 2007).

The factors of premium price (situation and economic factor), consistency in green brand personality-firm's green principles (availability of information for evaluation), simple and excessive green message (external information search) towards green brand perception can be explained with the model. In the stage of information evaluation, types of information available greatly affect the outcome of the evaluation process (Grunert & Ramus, 2005). The findings can be used to support the theoretical framework on whether information available at the time of evaluation process such as consistency in green brand personality-firm's green principles and green message setting will have impact on the evaluation outcome.

2.1.6 Factors Influence Brand Perception

2.1.6.1. Brand Personality

Brand personality was defined as the set of human characteristics that consumers associate with a brand (Arora & Stoner, 2009). Brand personalities consist of specific mix of human traits that attribute to a particular brand. As reported by

Sweeney and Brandon (2006), Aaker's five-factor human personality model was found to be suitable in brand personality measurement.

Brand personality are found to be less imitable than other product attributes, usage of proper dimension of brand personality may yield more sustainable competitive advantage. In selection of brand, consumer tends to prefer brand personality that congruent with their self-identity (Arora & Stoner, 2009).

A strong, positive brand personality also leads to more brand associations that are favorable, unique, strong, and congruent, thus enhancing brand equity. This effect occurred regardless of which brand personality dimension was experimentally manipulated, suggesting that any brand personality, so long as it is perceived as being strong and favorable, is likely to be associated with positive consequences (Freling & Forbes, 2005). Similarly, the more favorable associations consumers have towards a brand, the higher their loyalty and vice versa (Pappu, Quester, & Cooksey, 2005).

One of the major aims of building brand personality is to achieve a sustainable competitive advantage and thereby enhance a business performance. The Theory of Reasoned Action employed in various studies suggests that marketers can influence consumers' attitudes and intentions by changing their evaluations through adding new beliefs and targeting normative beliefs (Pickett & Ozaki, 2008).

2.1.6.2. Premium Price

Rao and Bergen defined price premium as “excess prices paid over and above the “fair” price that is justified by the “true” value of the product, may be indicators of consumer willingness-to-pay” (Vlosky et al., 1999, p. 124).

Price is the most important factor for a consumer in the selection of generic brand (Herstein & Tifferet, 2007). Price factor has been perceived to be extremely important for consumer as in the event of economic changes, which results in rising living costs and lowering of purchasing power. Therefore, consumer tends to be more conscious when it comes to price in their buying decision (Hamann, Williams, & Omar, 2007). As reported by Shen, Chi, and Ja (2007), usage of price incentive was found to closely linked to consumers brand image compatibility.

However, in the event the consumer is willing to pay the premium price for a brand, it signify that consumer’s acceptance of paying extra money for a brand in excess of its functional value or competitive offerings in the marketplace (O’Cass & Choy, 2008).

2.1.6.3. Green Brand Personality and Firm’s Green Principles

Consistency in the brand value, brand personality and other brand identity dimensions will place a company in a greater positioning to influence on the customer in their purchase processes (Ghodeswar, 2008). Similarly, perceived trustworthiness in a brand owner may build up the reputation of the brand, that eventually influence