IMPACT OF GREEN MARKETING ON CONSUMER BUYING DECISION OF GREEN PRODUCTS IN KATHMANDU DISTRICT, NEPAL

BY

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Title Page

Recommendation

Certification

DECLARATION OF AUTHENTICITY

I, Kirti Panthi, declare that this GRP is my own original work and that it has fully and specially acknowledged whenever adapted from other sources. I also understand that if at any time it is shown that I have significantly misrepresented material presented to SOMTU, any credits awarded to me on the basis of that material may be revoked.

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ABBREVIATIONS USED

BDGP	Buying Decision of Green Products
ECB	Environmental Concerns and Beliefs
EL	Eco-labeling
GAD	Green Advertising
GBP	Green Branding and Packaging
GPP	Green Premium Pricing
SOMTU	School of Management, Tribhuvan University
SPSS	Statistical Package for Social Sciences

EXECUTIVE SUMMARY

Consumers are concerned about how their purchasing habits can help to minimize negative impact on environment. Business firms and manufacturing companies have been socially and environmentally responsible owing to those sentiments. This has led to the concept of green marketing in business world as well. Green marketing describes a company's efforts to develop and advertise the environmental sustainability of their business practices and creating and promoting products based on their environmental sustainability. The review of previous literatures revealed impact of various green marketing tools on consumer buying decision of green products. Keeping this in view, this research study examined the impact of five green marketing tools which are green branding and packaging, green advertising, green premium pricing, eco-labels, and environmental concerns and beliefs on consumer buying decision of green products. At the same time, it examined if the buying decision of green products varied across the socio-demographic or moderating variables.

This research study used descriptive research design. Through non-probability purposive sampling, the responses were collected from 200 individuals with the help of questionnaire survey. The collected data were organized, analyzed, and tabulated using SPSS version 27 and Microsoft Excel. Both descriptive analysis and inferential analysis were conducted to meet the objectives.

The research study revealed that environmental concerns and beliefs have significant positive impact on green buying decision among the consumers of Kathmandu district. Similarly, green branding and packaging, eco-labels, and green premium pricing also have significant positive impact on buying decision of green products. It was also found that green advertising has no significant impact on consumer buying decision of green products.

The study also found that male and female participants had similar buying decision of green products. Consumers who have only passed intermediate level make lowest green purchases while consumers having master’s degrees make highest green purchases. Buying decision of green products varied across participants having different age groups and monthly incomes.

The two interviewed marketers stated that environmental concerns and beliefs, green branding and packaging, green advertising, and green premium pricing positively impacted consumers' buying decision of their products, whereas, marketers stated that consumers were indifferent towards eco-labels or certifications of their products.

This study has both theoretical and practical implications. It provides insights to scholars regarding impact of various green marketing factors and helps identify gap for future research. Likewise, it also has practical implications towards marketing personnel or business owners of green products to adopt certain tools of green marketing and appropriate strategies so as to encourage green buying decisions or green purchases from consumers.

CHAPTER I
INTRODUCTION

1.1 Background of the Study

Green marketing describes a company's efforts to develop and advertise the environmental sustainability of their business practices and creating and promoting products based on their environmental sustainability. Kotler and Armstrong (2010) have defined green marketing as that phenomenon which fulfills the present needs of consumers while also preserving the ability of future generations to fulfill their needs. Companies are advertising the reduced emissions associated with their products' manufacturing process, or the use of post-consumer recycled materials for product packaging or the efficiency of their appliances and automobiles (Papadopoulos et al., 2010). All these branding and packaging, advertising and labelling strategies with regards to their green products come under green marketing. Moreover, some companies simply market themselves as being environmentally-conscious companies by donating a portion of their sales proceeds to environmental initiatives, such as planting trees, solid waste management, and cleaning campaigns (Pride and Ferrell, 2008).

In most of the cases, consumers purchase goods and services which have higher utility for them. Ultimately, the buying decision rests on consumers even if that decision process is influenced by marketing factors. The growing awareness of environmental issues and the consumers' own concerns and beliefs about their daily activities have led to trend of green consumption for environmental sustainability. Charter and Polonsky (2017) have stated that consumers are demanding green alternatives and are willing to pay a premium price because of their increasing awareness and concerns towards environmental protection. Buying green products is one of the most vital consumption behaviors which fosters environmental conservation. Lin and Huang (2012) have stated that green attitude and awareness in terms of food choice, green management, green branding, green technology and green consumer choices have been worldwide trending topics for some time now. There is a significant interest in organically produced products throughout the world in response to concern of

unnatural agricultural practices, food security, human health concern, animal welfare consideration and environmental sustainability (Wee et al., 2014).

Going green can yield lucrative returns for the businesses as it has been found that demand for organic products is increasing in Kathmandu, Chitwan, Pokhara, Butwal, cities of Nepal. Nepalese consumers are willing to pay premium price for green products (Aryal et al., 2009). But the upsurge in consumption of green food products is limited as the growth of organic product development is still in formative stage in Nepal (Bhatta et al., 2008).

In this study, green consumers are those who take into consideration the environmental consequences of their consumption patterns, and intend to modify their buying behavior for reducing the environmental impact. Buying decisions of green consumers are found to be the central theme in the research field of green consumer behavior. The buying decisions of green consumers are influenced by intrinsic factors like their environmental concerns and beliefs and extrinsic factors like green marketing tools: branding and packaging, advertising, premium pricing, and eco-labels (Juwaheer et al., 2012).

1.2 Statement of the Problem

There has been an increasing concern about environmental issues in the world. Today aware consumers are concerned about how their purchasing habits can help to minimize negative impact on environment. Business firms and manufacturing companies have been socially and environmentally responsible owing to those sentiments. The production of green products is challenging to all business as requirement of quality, cost, performance and environmental issues needs to be met.

Although the concept of green marketing has been quite successful in the developed countries, its impact has yet to be seen in Nepal. There has been emergence of eco fairs and initiatives supported by profit and non-profit organizations operating in service and manufacturing industries. NGOs like Sustainable Nepal, Sustainable Agriculture Development Program Nepal, and Environmental Camps for Conservation Awareness, Eco-Nepal, Himalayan Climate Initiative, and Green Homes etc. are supporting as well as taking initiatives for green products and marketing (Nepali Times Buzz, 2013). Laxmi Bank mounted solar street lights at

Bagmati Bridge in Thapathali as part of its Ujyalo Abhiyaan campaign. Alternative Energy Promotion Centre (AEPC) has been working in the areas of biogas, micro hydro, solar energy, improved cooking stove, improved water mill and bio fuel production in collaboration with donors and the government (Nepali Times Buzz, 2013). Clean Energy Nepal conducts education campaigns on the usage of sustainable energy. The Hamri Bahini: The Green Angel project has created green jobs for 200 plus rural and young Nepali women helping them in making, and distributing cloth and paper shopping bags to replace use of polythene bags in Kathmandu (Nepali Times Buzz, 2013). The environment division at Kathmandu Metropolitan City office has been raising awareness on reducing waste from the source while managing the waste generated by fifteen lakhs plus population of the valley. Nerolac has introduced eco-friendly paints with low VOC (volatile organic compound), which protects the houses as well as the environment when one uses their range of interior and exterior emulsions. These green initiatives and marketing tools have had their share of benefits for companies; however, the impact of these initiatives are not fully examined.

Green marketing and green products in Nepal have been popularized due to the efforts of the entrepreneurs, sustainable business owners, government, organizations and intention of consumers towards establishing a sustainable environment by encouraging organic products and environmentally friendly behavior. There are evidences that green branding and packaging, eco-labelling, green advertising, green pricing, environmental beliefs have positive impact on consumers leading to increased green purchases in some cases, and unaffected green purchases in others (Juwaheer et al., 2012). The results for such researches have varied for different countries, demographics and so on.

It is, therefore, appropriate to undertake the analysis of the impact of green marketing tools on the consumer buying decision in a developing nation where green consumers are emerging. Previous studies have been heavily concentrated on the organic product market; however, this study provides insights of the Nepalese urban consumer green consumption and acknowledgements towards green marketing tools or strategies.

Therefore, this research paper aims to find the answers to the following research questions:

i. How green branding and packaging, green advertising, green labelling and green pricing strategies impact the consumer buying decision of green products?
ii. How consumers' environmental concerns and beliefs influence their buying decision of green products in Kathmandu District?
iii. Does buying decision of green products vary across socio-demographic factors such as age, gender, education and income?

1.3 Objectives of the Study

The general objective for this study is to determine the impact of green marketing towards consumer buying decision of green products in Kathmandu district, Nepal. The specific objectives of the study are as follows:

i. To analyze the influence of green branding and packaging, green advertising, green premium pricing, and eco-labels strategies on consumer buying decision of green products.
ii. To examine the effect of consumers' environmental concern and beliefs towards their buying decision of green products.
iii. To examine if the buying decision of green products vary across socio-demographic factors such as age, gender, education and income in Kathmandu district.

1.4 Hypothesis

This study aims to investigate the relation between green marketing tools and green buying decision of consumers. These hypotheses have been proposed after reviewing the conceptual framework developed by Juwaheer et al. (2012) on their research article "Analysing the impact of green marketing strategies on consumer purchasing patterns in Mauritius". To address the objectives of this study, the following hypotheses were developed to examine the relationship between green marketing tools and consumer buying decision of green products.

H1: Environmental concern and belief has a significant impact on consumer buying decision of green products.
H2: Green/Eco-labels has a significant impact on consumer buying decision of green products.

H3: Green branding and packaging has a significant impact on consumer buying decision of green products.
H4: Green advertising has a significant impact on consumer buying decision of green products.
H5: Green premium pricing has a significant impact on consumer buying decision of green products

1.5 Significance of the Study

Consumer buying decision is an important consideration when constructing marketing plan, product development, customer service, and policy development. This study focuses on how individuals make decisions to spend their valuable resources (time, money, effort) on consumption-related items which include what they buy, how often they buy, how they evaluate those items after the purchase and the impact of such evaluations on future purchases, and how they dispose those items.

This research has been conducted to analyze the impact of green marketing tools on consumer conscience to realize its effects on current and future buying decisions. It aims to explore relationship between consumer's actual buying behavior and green marketing tools. Similarly, this research highlights various aspects of consumer buying decisions which show preference of the consumers for environmentally friendly products and aspects of green marketing that influence such purchase decisions. The green marketing tools such as green labelling, green branding and packaging, green premium pricing, and green advertising aid to generate awareness, create interest and modify buying decision towards sustainable purchase habits. The study examines such tools to find their effectiveness in context of Kathmandu district.

This study will primarily benefit three key stakeholders: businesses, managers, and investors as success of every business depends upon knowing your consumers. This study provides relevant information about awareness and knowledge level of customers regarding green products and what green marketing tools influence them the most. Similarly, this study provides aid to the policymakers in examining the current customer beliefs and attitude towards green purchase with regards to developing policies and programs for sustainable social development through green investments.

1.6 Limitations of the Study

The limitations of the study are as follows:

i. The responses might not be very representative of the population due to sample limitations, area limitations and result cannot be generalized since the size of collected questionnaire is small.
ii. There are various marketing tools and factors which influence green buying decision of consumers but only five variables are taken for the study as all factors cannot be included in a single study.
iii. This study does not cover the post purchase behavior of the consumers.
iv. Responses may contain insufficient information since data is collected from a structured questionnaire.

1.7 Structure of the Study

This research study has been organized into following five chapters:

Chapter I - Introduction

This chapter deals with background of the study, statement of the problem, objectives of the study, research hypothesis, rationale of the study, limitations of the study, and organization of the study.

Chapter II - Literature Review

This chapter includes review of literature which incorporates the review of previous related studies, theoretical framework and research gap.

Chapter III - Research Methodology

This chapter focuses on research methodology and it contains research design, population and sample size, sources of data, data collection processing & procedures, reliability of questionnaire, analysis tools and techniques.

Chapter IV – Results and Discussion

This chapter deals with the main body of the research work and consists of data presentation and analysis. The collected data are analyzed through descriptive and inferential analysis using SPSS version 27 and results are drawn and discussed.

Chapter V- Summary, Conclusion and Implications

This chapter discusses about findings of the study and creates link with previous studies. On the basis of the research objectives, the findings are compared and concluded. Moreover, the implications of this research paper are also provided to the stakeholders. The final supplementary part consisting of references and appendices are also attached at the end of the study.

CHAPTER II
RELATED LITERATURE AND THEORETICAL FRAMEWORK

2.1 Introduction

Green marketing has gained a significant momentum as a popular research area and many theories have been proposed in the context of green marketing and consumer behavior, purchasing pattern and ultimately their buying decision. This chapter delves into the key literature that has been studied surrounding the research topic. The key aspects of green marketing, green consumer buying decision, environmental concerns and beliefs and consumer responsiveness on green labelling, green advertising, green branding and packaging, and green premium pricing are explained primarily based on the impact of green marketing on consumer buying decision in Nepal.

2.2 Green Marketing

Green marketing has evolved in its definitions and shifted its focus from when it was first coined in 1976 to the start of the 2010s decade. In the early stages, corporate responsibility for pollution prevention and resource conversation was the focus of green marketing definition, which shifted to satisfying marketing needs and to meeting organizational goals in later decades. Henion and Kinnear (1976) provided one of the initial definitions of green marketing as the study of the positive and negative aspects of marketing activities on pollution, energy depletion and non-energy resource depletion. The evolution of spectrum of green marketing has improved relationship between sustainability and marketing strategies (Jones et al., 2008). Green marketing refers to the planning, development and promotion of products or services which satisfy the needs of consumers for quality, output, accessible prices and service, without having negative effects on the environment, with regard to the use of raw material and the consumption of energy etc. (Papadopoulos et al., 2010). Redefining products in the market, eliminating waste in production, usage and post usage, adequate pricing and profitability are the functions of green marketing (Pride and Ferrell, 2008). Thus, it can be seen as an amalgamation of environment management process, marketing activities and product or offerings for value creation to society, environment and sustainable future.

Kotler and Armstrong (2010) identified the advantages of green marketing i.e. it provides some eco-advantages, develops competitive advantages of positive environmental impact, raises awareness on environmental and social issues, guarantees sustainable long-term growth with profits, ensures efficient use of energy and recyclability of goods, and promotes corporate social responsibility. Green marketing also supports developing countries like Nepal to achieve sustainable development goals (SDGs).

According to Hung et al. (2015) green marketing consists of efforts made by company to not only offer environmentally friendly products but also includes changes in the production, packaging, advertising, designing, promoting, pricing, and distributing products that do not harm the environment and mankind. In the same vein, Mahmoud (2018) states that green marketing encompasses all environmentally responsible marketing activities which reduce negative impact on the environment.

2.2.1 Green Consumer

Addressing demands of green consumers is another perspective of green marketing. The concept of green marketing is better understood by understanding a green consumer. Strong (1996) defines green consumers as those who avoid products that are likely to endanger the health of the consumer or others, cause significant damage to the environment during manufacture, use or disposal, consume high amount of energy, cause unnecessary waste, and use materials derived from threatened species. Green consumers have been the focal point of the environmental marketing strategies (Papadopoulos et al., 2010) and a large section of the literature in green marketing has focused on the determinants of their environmental behavior, green purchase behavior and post-purchase behavior.

Several green consumer studies have shown that environmentally conscious consumers respond to environmentally responsible behavior of the companies which can be exhibited in their purchase behavior (Papadopoulos et al., 2010; Do Paco and Raposo, 2009). A number of researches have shown that green consumers are likely to prefer products which have eco-friendly product design and processes (Pickett-Baker and Ozaki, 2008; D'Souza et al., 2006). Similarly, product attributes such as health-related information, nutrition, taste, quality, ingredients, and appearance,

reputation of the manufacturer and retailer, availability of environmental information and knowledge, consumers' past experience, and marketing communication targeted towards the consumers through interpersonal communication, influence of opinion leaders and word-of mouth, etc. are some market-related variables or tools which are used to market the green products and practices so that consumers' attitude, decision making and behavior can be influenced (Pickett-Baker and Ozaki, 2008).

A green marketing study by Minton, Lee, Orth, Kim, and Kahle (2012) tested the use of Facebook and Twitter to examine motives for green behaviors. The research included 1,018 respondents from the United States, Germany, and South Korea from an online survey. They found significant differences in social media motives for green consumption and behavior among countries and type of social medium. Heavy Twitter users were significantly more likely to participate in all sustainable behaviors when compared with heavy Facebook users. In addition, responsibility motives consistently led to organic food purchase and respondents from South Korea participated in more sustainable behaviors than those from Germany or the United States. Paul and Rana (2012) found consumers purchasing organic food to be highly educated and Zhu et al. (2013) discovered them to be from well-to-do households.

2.2.2 Green Products

Palevich (2011) acknowledged green products as those which are made through people friendly and eco-friendly models, technologies and practices. According to Scott and Ellis (2014), the terms green products and environmental products refer to products which are used naturally, and which are made from non-toxic, recycled materials, or with less packaging/eco-packaging. Green products are made in a way which have no side effects on nature. Thus, a product is considered 'green' when its environmental and societal performance, in production, use, and disposal, is significantly improved in comparison to general or competitive substitutes. Prakash (2002) states that reuse, recycle, reduce, repair, recondition, and re-manufacture are developing processes of green products.

The term green products cover the large variety of goods which provide eco-friendly solutions and designs. Going green does not only mean having organic food but also living in sustainable and eco-friendly way. The green technology brought us energy

efficient appliances, electric and solar power vehicles (which are superior alternatives of fossil fuel vehicles), green homes and buildings, and eco-friendly living which reduce negative externalities towards the environment.

Green products are regularly considered safer and healthier than other conventional products (Luchs et al., 2010) and they reduce the utilization of natural resources and the negative impact on the product's life-cycle (Albino, Balice, and Dangelico, 2009).

2.2.3 Green Brands/Products in Nepal

There are several products which are green in Nepal in different sectors. Locally made items from sustainable companies are displayed and sold in the store "The Local Project". Dinadi, an accessory and fashion enterprise, makes their products from 100% natural, biodegradable materials and they have zero waste. They hire financially weak women and provide them opportunity of working from homes or in flexible schedules. Paila is an eco-friendly shoe brand that has been creating shoes from Dhaka materials. They use locally sourced materials like nettle to make their shoes (Sustainable and Eco-Friendly Nepali Products, 2019).

Local Women's Handicrafts offer eco-friendly section where they make yoga mats and upcycled rugs from old sarees. Tyre Treasures upscales old tires into beautiful furniture and decorative items. Likewise, Cotton Mill Nepal uses 100% cotton to create all of their products, and they hire local women to design, stamp, and sew their items together (Sustainable and Eco-Friendly Nepali Products, 2019). They believe in having an environmentally friendly as well as people focused production process.

Vegan Dairy Nepal provides dairy-free substitutes for milk, butter, cheese, yogurt etc. through plant based products such as almond milk, soy milk, almond butter, etc. which immensely help to conserve the environment and land resources. Similarly, Karma Coffee is a coffee brand that makes fresh coffee from coffee products grown in the Himalayas. It also makes sustainable and upcycled items made from coffee. Sanchai is an organic peanut butter company where the peanuts are grown sustainably in Khotang, Nepal.

Doko Recyclers is a company in Nepal that picks up the recycled goods. They organize local events to educate people about recycling and they upcycle the items

they pick up. Moreover, Bottles to Beads takes glass bottles that are littering the environment and turns them into beautiful glass beads and jewelry. They work with an NGO to offer bead making classes to women in rural areas in Nepal so that they can learn to upcycle items themselves and make saleable products. Marina Vaptzarova is a company that makes stationary products by using local plants that regenerate quickly and creating minimal waste from production process. Likewise, Jamarko recycles old paper and creates beautiful paper products from the recycled paper (Sustainable and Eco-Friendly Nepali Products, 2019).

The Shampoo Bar Kathmandu makes a wide range of chemicals free shampoo bars in Nepal which massively reduces pollution by preventing the use of shampoo, conditioner, and soap bottles which means no waste in landfills.

2.3 Review of Earlier Studies

Green marketing encompasses several tools and factors which influence the green buying decisions of consumers. From the revision of various research papers, five imperative tools of green marketing were selected as the main factors which influence green purchase decisions in consumers. These factors are described as follows.

2.3.1 Green/Eco Labelling

Green or eco labels are symbols or marks given to a product on compliance to eco-friendly criteria laid down by government, association or standard certification bodies. Morris et al. (1995) have stated that specific product claims on product labels like “eco-friendly”, “recyclable”, “biodegradable”, and “ozone friendly” used by marketers made it possible for companies to communicate the environmental benefits of products to the buyers. Eco-label should define and summarize the environmental performance of product so that it supports consumers in their decision making when they compare different products regarding their environmental impacts. Consumers spend less time learning the environmental impact of products and thus eco-labels can help in easy identification of eco-friendly products. Different categories of labelling include USDA Organic Certification (USA), Country of Origin Labeling (USA), Without Gene Technology Label (Germany), FAIRTRADE Certification Mark, OEKO-TEX Standards (textile) etc. (Bonroy and Constantatos, 2014).

Gallastegui (2002) clarified that for purchase results, eco-labelling is an important factor that will influence the purchasing pattern of consumers from his extensive literature review. He explained that eco-labels could encourage more green purchases and also motivate producers or service providers to raise their environmental standards. He described Type I labels as products of third party certification programs which are supported by government to certify both products and production processes and provided examples like Blue Angel and the EU eco-label. Likewise, Type II labels consist of one-sided informative environmental claims made by manufacturers or distributors and mention specific attributes such as 'CFC free' products.

D'Souza (2004) studied intervening effect of eco-labels on consumer behavior and argued that environmental information endorsed on labels and ecological attributes, and product efficacy characteristics may result in increase in sales of green products.

Later, D'Souza with other researchers investigated how consumers in Australia who differ in terms of environmentalism respond to labels by collecting questionnaires from 155 respondents (D'Souza et al., 2006). They found out that with respect to price sensitive green consumers, the results displayed a relationship existing between "always read labels" and purchase intention even if the product is somewhat more expensive. Similarly, Horne (2009) elucidated that to develop more sustainable and consumable products in the market, eco-labeling is a significant tool used by policy makers.

Bonroy et al. (2014) came to the conclusion that eco-labels enable consumer to recognize those products and services which have the least environmental impact throughout their life from their extensive review of previous researches. They further discussed that eco-labels serve as a credible attribute for stating a product's impact on the environment during its life-cycle i.e. from extraction of raw materials to the ultimate disposal. They also identified complication of the message, large number of closely related labels, and label-related misperceptions of the true risks or benefits of the product as the three sources of consumers' misperception of the eco-labels.

Testa et al. (2015) conducted a quantitative study on Italian consumers and discovered a significant role of eco-labels in increasing the consumer's perceived behavioral control in contrast to loyalty in brand and in store which did not put forth significant

influence. The study determined that green marketing tools including labels influenced purchasing behavior through brand logo of Bodyshop products. Bodyshop is an eco-brand and eco-friendly cosmetic product. They concluded that eco-label is an effective marketing tool to expand the consumer's market. Therefore, it can reach consumers who want to preserve the environment.

In prior research paper, Brécard (2017) observed that eco-labelling has a significant effect on the buying decision of consumers towards products as it conveys information relating to the environmental concerns of consumers and characteristics of the product. It addresses both business users and varied consumers by providing them with product information related to the environment. Eco-labelling plays a major role in the development of environmental policy and in promoting purchase of eco-friendly products.

However, the impression of eco-labelling has created some confusion for consumers and can create an ambiguous situation for them to predict the environmental quality of products (Harbaugh et al., 2011). Recently Kardos et al. (2019) and earlier Bhaskaran et al. (2006) discovered that consumers have a lack of trust towards the plethora of eco-labeling on products.

2.3.2 Green Branding and Packaging

Green branding and packaging have not been significant focus of research up until the last decade. Green branding is still yet to be broadly explored by green marketers in today’s economy. Green brands are those that people can associate with environmental conversation and ecological/sustainable business practices. Growing environmental knowledge of consumers have encouraged them to be more favorable towards brands that position themselves as being environmental friendly.

According to Pickett-Baker and Ozaki (2008), in marketing, effective branding has the power in shaping individuals’ thoughts, feelings and opinions towards green products and help in shifting consumer attitudes towards greener consumption and if green brand attributes are not well communicated, then environmentally sustainable products will not be commercially successful.

The attitude of consumers towards green products can be changed by the brands. It has been argued that for the success of green branding strategies, green positioning is an important element.

Similarly, green packaging is an approach towards product packaging that considers full environmental impact of the production and disposal of the packaging material. A sustainable package will generate less waste than conventional packaging and will be manufactured from materials that use as much recyclable materials as possible using least amount of energy. Packaging can be considered ecological depending on the degree of environment pollution.

Deliya and Parmar (2012) observed how appropriate and vivid picture or packaging color delivered a feel-good feeling among consumers, and an easy dispose package shape piqued customer's attention leading to purchase decision in Gujarat, India.

Huang et al. (2014) examined the relationship among green brand positioning, green brand knowledge, attitude toward green brand, and green purchase intention in Taiwan through questionnaire survey. The results indicated that green brand positioning and green brand knowledge influenced green brand attitudes, which in turn, influenced green purchase intention.

Mishra, Jain, and Motiani, (2017) examined the relationship of three variables, "concern for environment", "knowledge about green packaging", and "beliefs about positive consequences of using green packaging" with consumer attitude towards paying price premium through survey in major cities of eastern and western India. The results of the study indicated that consumers are ready to pay premium for green packaging.

The awareness of the consumers regarding green packaging and branding has led to more environmentally friendly attitudes (Swenson et al., 2018). Yang and Zhao, (2019) applied correlation analysis and multiple regression to evaluate data collected by a questionnaire survey to determine factors influencing green consumer behavior in China. They indicated that green packaging and branding is a significant factor in guiding consumer behavior and purchasing decisions of Chinese consumers.

2.3.3 Green Premium Pricing

Tripathi and Pandey (2018) state that green pricing considers both the economic and environmental costs of production and marketing while providing value for consumers. Green products tend to be more expensive because the ingredients may be costlier than their conventional counterparts. For instance, organic food grown with natural fertilizers may be relatively more expensive than those foods not utilizing natural fertilizers. Costs related to green supply chain can also be higher. Due to this a price gap between conventional products and green products is created, which is referred as the “green pricing gap”.

The higher price can be a barrier to wide market acceptance for many green products, as some consumers may want to purchase sustainable products but either do not want or are financially unable to pay a higher price.

Findings of several market studies suggest that many customers in the marketplace are willing to pay higher prices for green products (Swezey and Bird, 2001). Aryal, Chaudhary, Pandit, and Sharma (2009) conducted a study on consumers' willingness to pay a price premium for organic products in Kathmandu Valley by surveying 180 consumers. The study discovered that respondents were willing to pay price premium but the level of acceptability was different. 58% of the consumers were willing to pay 6-20% price premium and 13% were willing to pay up to 50% premium. The average premium was projected to be about 30%. About 39% of the respondents felt the extra cost for organic products was reasonable while 27% of the respondents considered it too high.

Premium pricing strategies receive a significant response from customers. Rahbar and Wahid (2011) in Malaysia and Bukhari (2011) in India have contributed in similar type of research findings unfolding that consumers are prone to purchasing products that they are emotionally attached to them and are willing to pay premium prices.

Meanwhile, Handriana (2016) utilized qualitative research for collecting the data of young people, homemakers, and professionals in Indonesia towards green buying perception by using in-depth interview technique. She revealed that higher price of green products became hindrance for green purchase decision of Indonesian

consumers. Consumer purchasing behavior is, therefore, affected by green products and their pricing (Mishra et al., 2017).

Ferraz et al. (2017) conducted a cross-cultural study between Brazilian and Canadian university students to analyze their intentions and behavior regarding the purchase of green products. They found that Canadian students were willing to pay more for green products to favor the environment than Brazilian students.

Moreover, Shao and Unal (2019) selected Electric Vehicle Industry for analysis with an online survey of 582 consumers and used the structural equation modeling (SEM) technique. The results unveiled that environmental impact is critical for driving consumers' willingness to pay price premium and thus consumers are ready to pay more for electric vehicles which causes low environmental impact. On the other side, consumers do not intend to pay price premium for social impact of a product despite being aware about it.

2.3.4 Green Advertising

Green advertising refers to a form of communication that highlights the environment friendly aspect of the product or organization. It involves promotional activities centered on environmental aspects. Environmental advertisements help to form consumer values and translate these values into the purchase of green products (Baldwin, 1993). Advertising messages which promote sustainable goods and services and appeal to the needs and desires of environmentally concerned consumers are often labelled as green advertising. The objective of green advertisements is to influence consumer's purchase behavior by encouraging them to buy products that do not harm the environment and to direct their attention to the positive consequences of their purchase behavior (Rahbar and Wahid, 2011).

The influence of environmental advertisements on consumer buying decision has been proven by various prior studies. Pickett-Baker & Ozaki (2008) led a consumer product survey among 52 mothers who shopped at supermarkets using a questionnaire based on the Dunlap and van Liere HEP-NEP environmental survey and the Roper Starch Worldwide environmental behaviour survey. The results of their study reinforced the effect of green advertising on purchase decisions, meaning that such

adverts can influence brand evaluation, thereby consumers are encouraged to choose environmentally friendly products.

See and Mansori (2012) revealed that effective advertising through magazines, newspapers and TV channels had enhanced organic food awareness and purchase intentions of young female organic food consumers in the Klang Valley, Malaysia.

Delafrooz, Taleghani, and Nouri (2014) conducted a quantitative study of green marketing tools among 384 respondents using cluster sampling in Tehran city. The data was analyzed using the Spearman correlation test and multiple regression analysis. They discovered that green or environmental advertising had the most significant positive effect on Iranian consumers' purchasing behavior and eco-brand had the least effect.

Literature on content of green advertisements delves into advertising message and message credibility. Many researchers have captured trend analysis on greening of advertising and changing nature of advertising messages (Leonidou et al., 2014; Easterling et al., 1996). Likewise, in many studies, authors have discussed skepticism of environmental claims in advertisements (Leonidou et al., 2014; Banerjee et al., 1995). Thus, major contributions are related to capturing changing nature of green advertisements, degree of advertising greenness and authenticity of environmental claims.

Podvorica and Ukaj (2020) conducted a research based survey in Kosova. Their analysis focused on statistical correlation testing of green marketing awareness of consumers, their environment behavior, trust in advertising and labels displaying health benefits of beverages and attitudes towards willingness to pay more for organic non-alcoholic beverages compared with non-organic beverages. They discovered that consumers' environment friendly behavior was positively influenced by family and media. But, consumers' had mistrust in the marketing activities of producers as a consequence of misleading advertising and thus their green purchases were not significantly influenced by advertising.

2.3.5 Environmental Concern and Beliefs

Dunlap and Michelson (2002) defined environmental concern and beliefs as an individual's mindfulness of ecological issues and endeavor to bring it into action. Environmental concerns and problems are linked with all business enterprises and citizens around the globe (Papadopoulos et al., 2010).

Bang et al. (2000) discovered that consumers who are more concerned about environmental issues will convert to buy green products even if their prices are higher than non-green products. Bamberg (2003) found that environmental concern has positive and significant effect on consumer buying decision of green products.

Kim and Choi (2005) revealed that individuals with high concern towards environmental issues are more willing to buy green products and vice versa. Therefore, environmental concern and beliefs would be a fundamental factor for marketers as they can easily target environmentally inclined consumers.

With the passage of time, communication about consumer beliefs regarding green items is increasing (Ottman, 2017). Therefore, it is imperative to communicate information regarding green products in a way that is accessible and understandable for varied consumers. Consumers have started to change their behavior gradually in favor of ecology conservation. Thus, a new market for green products has emerged and active consumers have made it more significant. Kardos et al. (2019) considered the active role of consumers in their green purchase decisions an imperative factor to promote the protection of the environment among Romanian young consumers.

However, Coddington (1990) found that buyers who worry on environmental issues do not generally adapt into buying greener substitutes. Empirical findings have elucidated that the intention to recycle products, care about environmental pollution and pay for more ecological products have been reflected in very few customers (Sloan, 2004).

Young et al. (2010) observed that there is an "attitude-behavior" gap in translating consumers' ecological concerns into green behavior. They further stated that consumers' interest in being ecologically safe might not always be the reason behind their green purchase decisions as other factors like ease of availability, convenience,

etc. might account for these purchases. Hence, marketers of green products have often found the gap between pro-environmental attitudes and green purchasing behavior (Ferraz et al., 2017).

Podvorica and Ukaj (2020) also discovered that those consumers who are more conscious towards the environment do not necessarily behave in an ecologically friendly way.

2.4 Buying Decision

Hung et al. (2015) state that buying decision is an evaluation process carried out by consumer using their knowledge of two or more alternative product choices and choosing one of them. According to Kotler and Armstrong (2016), purchase decision is a stage in the buyer's decision making process where consumers actually buy. They further describe the five stages in the buying decision process: need recognition, information search, evaluation of alternatives, purchase decision and post purchase behavior.

Dwipamurti, Mawardi, and Nuralam (2018) suggest that purchase decision is a provision to identify all possible choices in solving problems and assess choices systematically and objectively with the aim of determining the relative benefits or losses. This definition is reinforced by Mahmoud (2018), who expressed that purchase decision is a process where consumers know the problem, find information about a particular product or brand and evaluate each of these alternatives deeply to solve the problem, which then leads to a purchasing decision.

2.4.1 Green Marketing and Consumer Buying Decision of Green Products

Gan, Wee, and Zucie (2008) observed that there is a positive relationship between environmental consciousness and consumers' green products buying decision but brand consciousness negatively influences green purchases. They also stated that higher price and unfamiliar brand decrease the likelihood to purchase green products.

Ko et al. (2013) and Jones et al. (2008) explained that consumers' attitudes and beliefs in decision making are also affected by brand and availability of green products, and comprehensive reassessment of product design and development, pricing policies,

distribution and marketing communications, and product and packaging disposal. In many instances, price hindered green buying decision (Handriana, 2016).

In the context of studies based on developing countries like Malaysia, Singapore, Mauritius, and Egypt, researchers found that green consumption was becoming popular and different elements that influenced green purchases included awareness and knowledge about green products, trust in eco-labels and brands, consumers' concern towards environment's degradation etc. Consumers were also found to be more socially integrated and have favorable attitudes towards green products (Juwaheer et al., 2012; Rahbar and Wahid, 2011; Mostafa, 2009). A low level of ecological awareness directly impacted the green purchase decision of Ghanaian consumers in a study in Ghana.

Hung et al. (2015) led a research study to identify the responses of the youths on influence of green marketing towards purchase intention of green products. Altogether 240 Indonesian and Taiwanese students were selected by purposive sampling. The result indicated that green marketing positively and significantly influenced purchase intention toward green products. They explained that promotional tools should not only advertise the existence of green product but also provide positive affirmation to consumers about green products.

The relationship between green marketing and purchase decision is also supported by Azimi and Shabani (2016) who observed that green marketing mix (green product, green price, green promotion and green distribution) affect purchase decision of consumers in appliance stores. Adoption of a green marketing strategy had a huge impact on increasing the sales quantity of green cars (Emeizan et al., 2016).

Similarly, in context of Body Shop products that used green marketing strategy, a study by Soegoto, Worang, and Saerang (2017) found green marketing strategy to have significant influence on purchase decision. In addition, green marketing also increased the re-purchase decision.

2.5 Research Gap

There is a dearth of research papers on green marketing in Nepal. On top of that, majority of them deal with perception and marketing of organic green food products only (Aryal et al., 2008; Bhatta et al., 2008).

Likewise, Ajay Ghimire (2019) in his Master's Thesis paper "A qualitative study on consumer perception towards green products in Nepal" sought out information regarding perception of green products among Nepalese consumers by interviewing 8 individuals in Kathmandu valley. He found that consumers have positive attitude towards green products and they understand various benefits of green products. But green innovation and green marketing has very weak functioning in Nepalese market. As a result, consumers are not so well informed and not habitual with green consumption. In addition, he found that consumers are buying few green products like organic food, plant-based cosmetics, reusable cups or bottles, plant-based medicines etc. But again as the sample size was only 8 and it was a qualitative study about knowledge of green products, the study did not focus on influence of green marketing elements.

Thus, there was an imperative need of carrying out an explanatory and quantitative research study with a larger sample size to gauge the influence of marketers' green marketing tools and consumers' own environmental beliefs on the consumer buying decision of green products. This research study aims to determine the significant marketing elements that marketers, manufacturers, and policymakers should prioritize to upsurge the demand and use of green products in Nepal for sustainable living and behaviors.

2.6 Theoretical Framework

The theoretical framework was developed on the premise of research article "Analysing the impact of green marketing strategies on consumer purchasing patterns in Mauritius" developed by Juwaheer, Pudaruth, and Noyaux (2012).

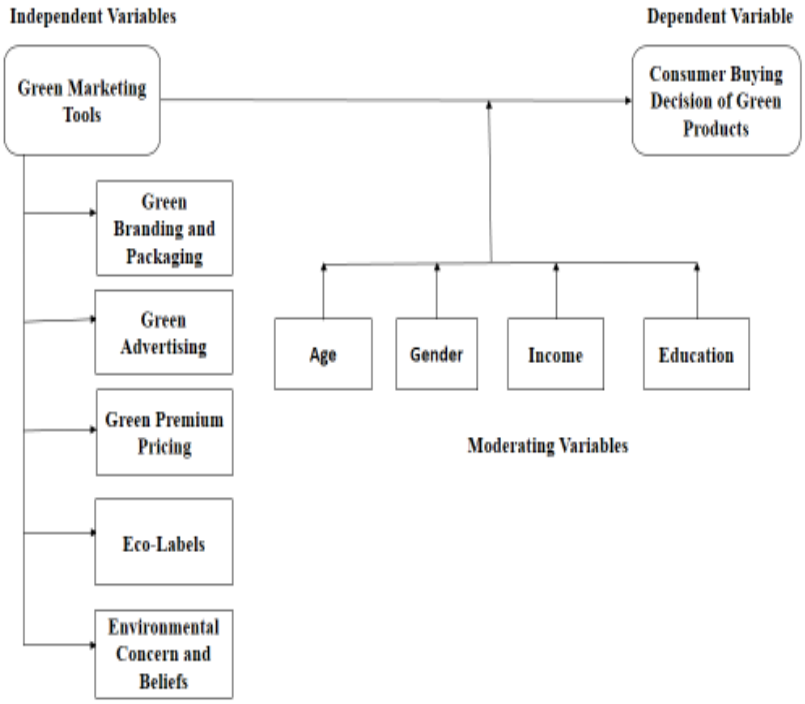

Figure 1: *Theoretical Framework*

This study analyzes the effect on buying decision of consumers considering the use of green marketing tools. The model shows green marketing tools as independent variables, which influence the dependent variable i.e. buying decision of green products. Other factors such as gender, age, education, and income act as moderating variables. It was decided to keep the independent variables similar as in the research paper by Juwaheer et al. (2012) after the theoretical review of other research papers in similar vein. The items under each of these five independent variables, however, were taken from various research authors and adapted and modified for Nepalese consumers. In addition, the dependent variable of the study i.e. green purchase intention was changed into buying decision of green products to address the objectives of this research study and the items were adapted from various research authors. Thus, this research study examines the impact of green advertising, green branding and packaging, green premium pricing and eco-labelling on green purchases and inspects the influence of consumers' environmental concern and beliefs on their green buying decisions. Researchers have found all these five green marketing factors to have significant impact on buying decision of green products as highlighted in the literature review.

2.6.1 Age, Gender, Income, Education and Consumer Buying Decision of Green Products

Previous researchers such as Diamantopoulos et al. (2003) and Chekima et al. (2016) found women to purchase more green products than men and also observed that women have higher levels of environmental concern than men. But Gilg et al. (2005) found no gender effect in the UK along with Chen and Chai (2010) in Malaysia and Zhu et al. (2013) in China. Likewise, Mostafa (2007) found an opposite effect with Egyptian men being more concerned about the environment and more inclined to purchase green products than women.

Chan (2000) also revealed that highly educated people are more likely to choose green goods. He reported the results of a study on Chinese consumers and concluded that people with low ecological awareness are much less likely to purchase green products than consumers who more informed about the environmental problems. Diamantopoulos et al. (2003) and Gan et al. (2008) observed similar results for the UK and New Zealand respectively.

Income is another relevant determinant of green purchases. As eco-friendly products are often more expensive than their industrial substitutes, people with low income are less driven to buy them, and consumers buy less than they like to due to their budget constraints (Zhu et al. 2013; Zhao et al. 2014).

CHAPTER III
RESEARCH METHODS

This chapter focuses in detail about the procedures that have been followed in research work for collecting data and processing and analyzing those data using appropriate tools. There are various steps that were undertaken to find out the solutions to the research questions and to accomplish the objectives which are described as follows.

3.1 Research Design

Research design is used to examine the research strategy in order to obtain suitable results. In this research, the relationship between green marketing tools and consumer buying decision was analyzed and described. Descriptive research design provides answers to the questions of who, what, when, where, and how associated with research problems. It is used to obtain information concerning the current status of the phenomena and to describe "what exists" with respect to variables in a situation (Anastas, 1999). Hence, this research adopts descriptive research design.

It is also used to describe the characteristics of respondents on the basis of their demographic, educational, and economic characteristics. This study employs survey research design to collect the related data on the topic through structured questionnaire based on previous literatures. Quantitative analysis was considered rather suitable for this research as the relationship between green marketing tools and consumer buying decision for green products could be better explained by means of using different hypothesis.

3.2 Population and Sample

The population of this research project consisted of the residents of Kathmandu district who are above 20 years of age and who are aware about green or eco-friendly products. As a result, target population is unknown as the number of people who are aware about eco-friendly products in Kathmandu district is unknown.

Many of the previous research studies on green marketing have adopted adequate sample size of up to 200. Thus, non-probability purposive sampling was used and a

sample size of 200 respondents was taken to represent the target population of Kathmandu district. The questionnaires were actually distributed to 220 people during the data collection process but 20 of those questionnaires were incomplete and only completed 200 questionnaires were analyzed. It was decided as per the cost and time factors of the research project.

The targeted sample respondents of the study consisted of customers above 20 years, living in Kathmandu. Consumers above this age are assumed to be active shoppers who make buying decision of the products as per the marketing tools, their ethical concerns, their personality traits and market availability of the products etc. The data was collected in March, 2021.

3.3 Sources and Methods of Data Collection

Primary and secondary data were collected for the research project. Secondary data was collected through previous research articles, journals, local and international news articles, and previous dissertations and research papers on green marketing. Primary data was collected from the consumer survey with the help of a structured questionnaire. Pilot testing was done to make the questionnaire more reliable and valid.

The nature of the study is primarily a quantitative research. The method of data collection was questionnaire survey. The data collection procedure was done by providing the questionnaire attached in Appendix 1 to the consumers at various points of purchase like Bhatbateni supermarkets, shopping malls, and in other areas like several commercial and development banks, pharmacies, colleges and offices as well. The customers were surveyed in many places of Kathmandu district like Tokha Municipality, Kirtipur Municipality, and in many areas of Kathamandu Metroplitan City (KMC) like Lazimpat, Baneshwar, Chakrapath, Sukedhara, Chabahil, Ratnapark, Tripureshwar, Durbarmarg etc. Respondents were selected primarily on the basis of their education level, occupation and age groups. This process of respondent selection captured real customers (independent decision makers) who make purchases at an individual and household level.

Additionally, two business owners and marketers of green products were interviewed online to understand impact of green marketing towards encouraging their consumers' green purchases.

3.4 Instrumentation

The consumer survey questionnaire has been divided into three parts. In the first part, questions on respondents' profile have been asked such as gender, age group, education level, occupation, and monthly household income. Likewise, in the second part yes/no questions, single response and multiple response questions have been asked to determine the consumer attitudes and decision making on green marketing.

The third part comprises questions to measure the effect of independent variables on dependent variables. This part of questionnaire contains all Likert Scale questions with 5 scales where 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = strongly agree. It measures impact of environmental concern and beliefs, green pricing, green branding and packaging, green advertising, and eco-labels towards consumer's buying decision of green products, ultimately aiding in achieving the research objectives. There are 33 questions in total for this scale which are further divided among the aforementioned factors. Therefore, the highest score would be 165 while the lowest score would be 33.

Likewise, there were 6 open-ended questions related to green marketing for the 2 interviewees which are attached in Appendix 2.

3.5 Data Analysis Methods

For the analysis of data collected in questionnaire, different statistical techniques have been used. Descriptive statistics has been applied to describe the data of the questionnaire. Moreover, inferential statistical analysis has also been applied to test the hypothesis of the study. Statistical software SPSS version 27 was used to run different analysis like reliability tests, descriptive statistics, correlation, and multiple regression. Similarly, Excel was used to organize the results of the various tests.

3.5.1 Descriptive Statistics

Descriptive statistics helps to attain the wider picture of data and also describe the data in user friendly and more orderly manner. It describes the measures of central tendency like mean, median, and mode along with dispersion measures such as range, variance and standard deviation. The mean and standard deviation are the two most common methods that are used in the analysis of data. To determine the mean and standard deviation of all dependent and independent variables in this study, descriptive statistics was used. To observe the average response, mean value was measured and for checking the variability, standard deviation was used.

3.5.2 Correlation Analysis

Correlation analysis is used to evaluate the strength of relationship between variables. It indicates how or to what extent variables are associated with each other. This study used the Pearson's Correlation to determine the association between variables used in this research.

3.5.3 Regression Analysis

In regression analysis, the values of dependent variable can be predicted using values of independent variables, resulting in a regression equation (Saunders et al., 2009). In the linear regression model, the coefficient of determination, R^2, summarizes the proportion of variance in the dependent variable associated with the predictor (independent) variables, with larger R^2 values indicating that more of the variation is explained by the model, to a maximum of 1. Multiple regression is an expansion of the simple linear regression model, where two or more independent variables are used to predict the variance in one dependent variable (Higgins, 2005).

For this study, multiple regression analysis is done with buying decision and the different tools of green marketing. The controlled variables include the socio-demographics, while the not controlled variables include the different tools of green marketing with buying decision as the dependent variable. The specification of the multiple regression equation for this study is as follows:

$$BDGP = \alpha + \beta EL + \beta GBP + \beta GAd + \beta GPP + \beta ECB + e$$

Where,

BDGP = Buying decision of green products (dependent variable)

a = intercept of buying decision of green products

β coefficient = measures the effect of independent variables

EL = eco-labelling

GBP = green branding and packaging

GAD = green advertising

GPP = green premium pricing

ECB = environmental concerns and beliefs

e = error

3.6 Reliability

Mathematically, reliability is defined as the proportion of the variability in the responses to the survey that is the result of differences in the respondents. The context validity was established by conducting pilot test of questionnaire before using the instrument for which 20 sets of questionnaire were distributed to respondents. It was found that there was no problem to understand and provide the responses on items of questionnaire. To check the reliability, effectiveness and internal consistency of the items used in the questionnaire Cronbach's Alpha test has been conducted. The accepted level of Cronbach's Alpha is 0.7 or above. Furthermore, correlation analysis was also undertaken to determining the relationship between the variables. The results of reliability analysis are reported in Table 1. All the scales have Cronbach's Alpha coefficient greater than 0.70 indicating very good reliability. Based on the outcome of pilot study, this research developed more confidence in questionnaire in gathering data.

Table 1

Reliability Analysis of the Study

Variables	No. of statements	Cronbach's Alpha Coefficients
Environmental concerns and beliefs	5	0.921
Eco-labels	5	0.945
Green branding and packaging	7	0.896
Green advertising	5	0.902
Green premium pricing	5	0.951
Buying decision of green products	6	0.937

CHAPTER IV
ANALYSIS AND RESULTS

This chapter deals with analysis and interpretation of primary data collected through questionnaire survey. The collected data are therefore presented and analyzed in tabular form. This chapter aims to answer the research question and find out the objectives of the study. So, it includes the descriptive statistics and test of formulated hypothesis through the help of correlation and regression test.

4.1 Demographic Profile of Respondents

The demographic profile of respondents reveals the personal and socio-economic characteristics of respondents like gender, age group, education level, occupation, and monthly household income. Table 2 presents socio-demographic characteristics of 200 respondents taken as sample for the study. It is observed that percentage of female respondents i.e. 51.5% was higher than male respondents i.e. 48.5%. Similarly, regarding age group of respondents, the percentage of 20 to 30 age group was highest along with 30 to 40 age group. 33.5% of respondents were under the age group of 20 to 30 and another 33.5% belonged to age group of 31 to 40. Likewise, 20.5% belonged to age group of 41 to 51 whereas 12.5% of respondents were above 50 years. With regards to their education level, 29% had completed intermediate level and 37.5% of respondents had completed bachelor's degree as well as 33.5% had completed master's degree and above. Regarding monthly household income, 4% of respondents belonged to Rs. 20,000 and below. 19% of respondents belonged in range of Rs. 20,001 to Rs. 40,000 and 31% of respondents belonged in range of Rs. 40,001 to Rs. 60,000. The highest percent i.e. 46% percent of respondents belonged to above Rs. 60,000. In the occupation side, 14.5% of respondents were students and 47.5% of respondents were employees i.e. private or government job holders. 22.5% of respondents were entrepreneurs and 15.5% of respondents were homemakers. The overall analysis of demographic table represents the heterogeneity of the sample taken which helps to present the true picture of the study.

Table 2

Socio-demographic Profile of Respondents

Variables	Frequency (N)	Percentage (%)
Gender		
Male	97	48.5
Female	103	51.5
Total	200	100
Age Group		
20 to 30	67	33.5
31 to 40	67	33.5
41 to 50	41	20.5
51 and above	25	12.5
Total	200	100
Education Level		
Intermediate level	58	29
Bachelor's degree	75	37.5
Master's degree or above	67	33.5
Income Level		
20,000 and below	8	4
20,001 to 40,000	38	19
40,001 to 60,000	62	31
Above 60,000	92	46
Total	200	100
Occupation		
Employee	95	47.5
Entrepreneurship	45	22.5
Student	29	14.5
Homemaker	31	15.5
Total	200	100

4.2 Descriptive Statistics

The descriptive statistics helps to describe the different variables taken for the study. Under the descriptive statistics, mean and standard deviation (S.D.) are calculated to describe the five independent variables along with dependent variable i.e. consumer buying decision of green products.

4.2.1 Environmental Concerns and Beliefs

Table 3

Descriptive Statistics of Environmental Concerns and Beliefs

Items	Mean	S.D.
The environment is being severely damaged	3.97	.913
I as a consumer have a bigger role in protecting the environment	3.91	.881
Green products are better option for future sustainability	3.87	.984
I consider the environmental impact of my purchase when making many decisions	3.35	1.059
Supporting environmental protection makes me feel meaningful	3.71	1.054

Table 3 depicts the mean and standard deviation score of each five scale likert questions regarding environmental concerns and beliefs on the level of disagreement (1) to agreement (5). The mean score for the first statement "The environment is being severely damaged" is 3.97 which means respondents think that the environment is indeed being damaged. The mean score for "I as a consumer have a bigger role in protecting the environment" is 3.91 which means that respondents fairly agree that they have big responsibility to protect the environment. Similarly, they also consider green products as the mean score for the third statement is 3.91. When it comes to considering the environmental impact of their purchases, they moderately consider it with a mean score of 3.35 and this is the lowest score for the variable environmental beliefs. Thus, it is observed that they are not actively taking their purchases as seriously as opposed to other environmental concerns. The mean score for "Supporting environmental protection makes me feel meaningful" is 3.71 which signals that majority of respondents fairly feel meaningful with their supportive environmental acts.

This indicates that respondents of the study are fairly environmentally conscious as the overall mean score for this variable is 3.7610.

4.2.2 Eco-labels

Table 4

Descriptive Statistics of Eco-labels

Items	Mean	S.D.
I find eco-labels easy to recognize and read	3.25	1.211
I find eco-labels very useful in choosing a product	3.42	1.183
It is easy for me to identify green products in Nepal	3.13	1.074
I look at ingredients label to see if contents are environmentally safe	3.42	1.136
I prefer to purchase green products if they are certified by environmental organization	3.61	1.142

Table 4 depicts the mean and standard deviation scores to each five scale likert question regarding eco-labels on the level of disagreement to agreement. As this study is based on urban population of Kathmandu district, it accurately demonstrates that respondents have some knowledge of eco-labels even if the knowledge level on the topic eco-labels is limited. They have some knowledge about ISO standards, Nepal Standards (NS), ENERGY STAR as the first statement of eco-labels on the questionnaire was elongated to describe what it refers to. They also moderately find eco-labels useful when making purchases. The lowest mean score for this variable is seen in the item “It is easy for me to identify green products in Nepal” i.e. 3.13 which means the respondents are neutral in identifying green products in Nepal. Thus, they have somewhat a hard time to recognize which ones are the green products. The mean score for the fourth statement is 3.42 which means that majority of respondents are above neutral in checking in the ingredients label. Similarly, fair share of respondents have an inclination towards green products which are certified by environmental organization.

The standard deviations for the items also indicate that respondents differ on their opinions about the knowledge and effectiveness of eco-labels as some respondents

tend to find it easy and effective while others find it hard and consequently ineffective.

Overall, the mean score for this variable is 3.3680 which indicates that respondents have some sort of information and preference for eco-labels even if the knowledge on the topic of eco-labels is mostly limited and somewhat hard to recognize.

4.2.3 Green Branding and Packaging

Table 5

Descriptive Statistics of Green Branding and Packaging

Items	Mean	S.D.
I find green branded products authentic	3.92	.785
Green branded products are better than non-green products	3.80	.810
I trust popular green branded products in Nepal	3.63	.738
If the brand promotes itself green, it comes in my preference list	3.60	.966
Packaging helps me distinguish a green product	3.57	.938
It is important to reuse or recycle the packaging after use	3.73	.991
I find products with bio-degradable packaging more appealing than plastic packaging	3.89	1.011

As one can see in Table 5, all the items for the variable green branding and packaging have somewhat high mean scores above 3.50. Hence, green branded products are fairly perceived as authentic, better, reliable, and preferable than non-green products. It is also seen that packaging is another important aspect where respondents focus on when buying green products. The respondents find bio-degradable or recyclable packaging more appealing than plastic packaging and slightly prefer to reuse the packaging for various purposes. They also consider it helpful in differentiating a green product.

Thus, the overall mean score of 3.7350 signals that respondents have fairly good impression of green branding and packaging of products.

4.2.4 Green Advertising

Table 6

Descriptive Statistics of Green Advertising

Items	Mean	S.D.
Green advertising catches my attention	3.50	.956
I enjoy watching advertisement focusing on product's environmental values	3.34	.968
I trust the environmental claims in advertisements of popular Nepalese brands	3.19	.806
I have more confidence in advertised green products than in unadvertised green ones	3.31	.830
Attractive environmental advertisement will encourage me to buy green products	3.69	.818

Table 6 illustrates the mean scores for all the five green advertising items. Respondents moderately agree that green advertising catches their attention even if they ever so slightly enjoy watching the environmental values of those advertisements. The respondents are neutral about the statement "I trust the environmental claims in advertisements of popular Nepalese brands" which imply they do not trust the claims in ads of those brands for the most part. On the other hand, they ever so slightly have more confidence in advertised green products than in unadvertised green ones. Moreover, they moderately agree attractive environmental advertisement encourages them to buy green products.

Overall, the respondents are moderately keen about green advertising and advertised green products.

4.2.5 Green Premium Pricing

Table 7

Descriptive Statistics of Green Premium Pricing

Items	Mean	S.D.
When it comes to green products, pricing won't be my major concern	3.10	1.201
I believe a portion of the price for green products goes to a worthy environmental cause	2.95	1.016
It is reasonable to pay a higher price for products that are produced in an ecological way	3.26	1.126
I feel satisfied to have somewhat costly eco-friendly products in my house	3.51	1.103
If green features in the product result to increase in price, I am ready to pay for it	3.30	1.227

Table 7 depicts the mean and standard deviations scores of each green premium pricing items on five point likert scale. The respondents are slightly neutral about the statement "When it comes to green products, pricing won't be my major concern". Similarly, they slightly disagree that a portion of the price for green products goes to a worthy environmental cause indicating lack of trust about the portion of proceeds being used for environmental cause. Moreover, the respondents ever so slightly think that it is reasonable to pay higher for green products. Additionally, they feel moderately satisfied about having green products in their houses. They also ever so slightly are ready to pay the increased price caused by adding green features in the product.

The standard deviations for green premium pricing items are also high which indicate varied responses from different respondents according to their personal and socio-economic characteristics.

4.2.6 Consumer Buying Decision of Green Products

Table 8

Descriptive Statistics for Consumer Buying Decision of Green Products

Items	Mean	S.D.
I often buy paper and plastic products that are made from recycled Materials	3.07	1.070
I often buy organic foods and vegetables	3.67	1.280
I often buy energy-saving products like CFL bulbs etc.	4.09	1.046
I often buy products with bio-degradable packaging	3.37	1.154
I often buy green products even if they cost somewhat more than non-green products	3.45	1.329
When I have a choice between two equal products, I buy the one less harmful to the environment	4.21	.940

Table 8 depicts mean and standard deviations scores for six items of consumer buying decision of green products. The overall respondents' score for the statement "I often buy paper and plastic products that are made from recycled materials" is 3.07 indicating their neutral stance on often buying paper and plastic products made from recycled materials. It is observed in the table that they moderately buy organic foods and vegetables. Similarly, respondents are keen on buying energy saving products like CFL bulbs. Moreover, they are not so enthusiastic regarding buying products with bio-degradable packaging and buying costlier green products when compared to non-green ones. The statement "When I have a choice between two equal products, I buy the one less harmful to the environment" has a mean score of 4.21 which indicates respondents are very enthusiastic on buying less harmful products which are produced in an ecological way if those two products are fairly similar.

Overall, the respondents have fairly good tendency of buying green products in their daily lives.

4.3 Correlation Matrix

Table 9

Correlation Matrix

	Green Buying Decision	Environmental Beliefs	Eco-labels	Green Branding Packaging	Green Advertising	Green Premium Pricing
Green Buying Decision	1	.802**	.850**	.810**	.633**	.872**
Environmental Beliefs		1	.803**	.764**	.620**	.683**
Eco-labels			1	.792**	.569**	.766**
Green Branding Packaging				1	.672**	.708**
Green Advertising					1	.564**
Green Premium Pricing						1

**. Correlation is significant at the 0.01 level (2-tailed).

Table 9 demonstrates Pearson's bivariate correlation matrix that shows statistically significant association among independent and dependent variables. It exhibits the level of association and direction of relationship among green premium pricing, green advertising, environmental beliefs, green branding and packaging, and eco-labels with dependent variable green buying decision (consumer buying decision of green products). The correlation between green buying decision and environmental beliefs is r = .802. It reveals that there is strong positive association between environmental beliefs and green buying decision at the significance level of 0.01 because p-value is less than alpha i.e. $p < 0.01$. The correlation between eco-labels and green buying decision is r = .850 and $p < 0.01$ which show that there is statistically significant strong positive association between them. Additionally, the correlation between green branding and packaging and green buying decision is r = .810 which shows the strong positive association and $p < 0.01$ which proves that the correlation between them is significant. The correlation between green advertising and green buying decision is r = .633 and $p < 0.01$ which show statistically significant moderate positive association between them. Likewise, the correlation between green premium pricing and green

buying decision is r = .872 which shows the strong positive association and p < 0.01 which proves that the correlation between them is significant.

4.4 Multiple Regression Analysis

The multiple regression analysis test is done to examine the relationship between independent variables i.e. green marketing tools and dependent variable i.e. consumer buying decision of green products. In this section, an attempt has been made to test the significant impact of green marketing tools on consumer buying decision of green products through the help of R square, t-test, F-test, and ANOVA.

Table 10

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.933[a]	.871	.868	.36284

[a] Predictors: (Constant), Green Premium Pricing, Green Advertising, Environmental Concerns and Beliefs, Green Branding and Packaging, Eco-labels

Table 10 exhibits the model summary of regression output. The value of coefficient of determination i.e. adjusted R square of the regression model is 0.868 which means that 86.8% variation in buying decision of green products is explained by five explanatory variables i.e. green premium pricing, green advertising, environmental concerns and beliefs, green branding and packaging, and eco-labels.

Table 11

ANOVA[a]

	Sum of Squares	df	Mean Square	F	Sig.
Regression	172.608	5	34.522	262.215	.000[b]
Residual	25.541	194	.132		
Total	198.149	199			

[a] Dependent Variable: Buying Decision of Green Products

[b] Predictors: (Constant), Green Premium Pricing, Green Advertising, Environmental Concerns and Beliefs, Green Branding and Packaging, Eco-labels

As shown in Table 11, the F-value is 262.215 and p-value is 0.000 which is less than 0.05 i.e. p-value < α which means the regression model is appropriate and the result is reliable. Hence, the model is a good predictor of the relationship between the dependent and independent variables. As a result, the independent variables are significant in explaining the variance in buying decision of green products.

Table 12

Regression Coefficients [a]

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	-.242	.154		-1.572	.117
Environmental Concerns and Beliefs	.202	.055	.173	3.659	.000
Eco-labels	.205	.051	.214	4.029	.000
Green Branding and Packaging	.226	.070	.159	3.250	.001
Green Advertising	.055	.048	.041	1.137	.257
Green Premium Pricing	.435	.040	.453	10.770	.000

[a] Dependent Variable: Buying Decision of Green Products

Table 12 depicts regression coefficients. To analyze the regression equation, unstandardized beta value and p-value are used. Beta value shows per unit change in dependent variable due to per unit change in independent variable and p-value is compared with the significant level of 0.05 for statistical test of significance.

In table 12, the effect of environmental concerns and beliefs on buying decision of green products is examined. It shows that environmental concerns and beliefs have positive effect on the buying decision (β = .202). Therefore, for each 1 unit increase in environmental concerns, the green buying decision will increase by .202 units. Since, p-value < 0.05, it can be concluded that environmental concerns and beliefs has significant positive impact on the buying decision of green products.

From the results, it can be concluded that eco-labels has significant positive impact on green buying decision ($\beta = .205$, $p < 0.05$). It also shows that for each 1 unit increase in eco-labelling, the green buying decision will increase by .205 units.

The consumer perception of green branding and packaging ($\beta = .226$, $p < 0.05$) also shows positive and significant effect on buying decision of green products i.e. every 1 unit increase in green branding and packaging causes .226 units increase in the green buying decision. Green premium pricing ($\beta = .435$, $p < 0.05$) also has significant positive impact on green buying decision.

On the other hand, green or environmental advertising ($\beta = .055$, $p = .257$) has shown positive but statistically insignificant effect on green buying decision. Hence, it can be concluded that green advertising has insignificant impact on buying decision of green products.

4.4.1 Multicollinearity Test

Multicollinearity occurs when two or more independent variables are highly correlated. The assumption for regression analysis is that there should not be existence of multicollinearity among independent variables. Variable Inflation Factor (VIF) can be used to detect multicollinearity, which determines strength of correlation between independent variables. The rule of thumb is VIF exceeding 5 indicates high multicollinearity among independent variables.

Table 13

Collinearity Statistics

Variables	VIF
Environmental Concerns and Beliefs	3.373
Eco-labels	4.259
Green Branding and Packaging	3.619
Green Advertising	1.955
Green Premium Pricing	2.665

The variance inflation factor (VIF) values of this analysis ranged from 1.955 (green advertising) to 4.259 (eco-labels), which are below the reference value of 5, indicating that the result does not have a negative effect and there is no multicollinearity among

the items or predictor constructs. Therefore, each factor was statistically discrete from the other.

4.5 Green Marketing Tools and Green Buying Decision across Moderating (Socio-demographic) Variables

4.5.1 Green Marketing Tools and Green Buying Decision across Gender

Table 14

Results of Independent t-test across Gender

	Gender	N	Mean	t	Sig. (2-tailed)
Environmental Concerns and Beliefs	Male	97	3.71	-.697	.486
	Female	103	3.80		
Eco-labels	Male	97	3.39	.313	.755
	Female	103	3.34		
Green Branding and Packaging	Male	97	3.70	-.633	.528
	Female	103	3.76		
Green Advertising	Male	97	3.30	-1.85	.066
	Female	103	3.49		
Green Premium Pricing	Male	97	3.17	-.602	.548
	Female	103	3.26		
Buying Decision of Green Products	Male	97	3.63	-.092	.927
	Female	103	3.65		

Table 14 includes a summary of all independent t-test for all of the variables. The Levene's Test for equal variance specifies that there is not enough evidence to reject the assumption of equal variances, hence, equal variances can be assumed.

The result of the independent t-test states that there is insufficient evidence that perception of male participants (Mean = 3.71, n = 97) and female participants (Mean

= 3.80, n = 103) is different (t = -.697, p = .486) regarding environmental concerns and beliefs. It also shows that there is no statistical significant difference of perception of eco-labels among female and male participants with mean ranks of 3.34 and 3.39 respectively (p = .755).

Similarly, the independent t-test demonstrates that there is no statistical significance in difference of perception among female and male participants regarding green branding and packaging (p = .528), green advertising (p = .066), and green premium pricing (p = .927). The independent t-test also states that there is insufficient evidence that buying decision of green products of male participants (Mean = 3.63, n = 97) and female participants (Mean = 3.65, n = 103) is different (t = -.092, p = .927).

4.5.2 Green Marketing Tools and Green Buying Decision across Age Group

Table 15

Results of ANOVA across Age Group

Variables		N	Mean	F	Sig.
Environmental Concerns and Beliefs	20-30	67	3.69	1.556	.201
	31-40	67	3.65		
	41-50	41	3.88		
	Above 50	25	4.02		
	Total	200	3.76		
Eco-labels	20-30	67	3.25	2.299	.079
	31-40	67	3.22		
	41-50	41	3.56		
	Above 50	25	3.74		
	Total	200	3.36		
Green Branding and Packaging	20-30	67	3.62	1.558	.201
	31-40	67	3.70		
	41-50	41	3.88		
	Above 50	25	3.87		
	Total	200	3.73		
Green Advertising	20-30	67	3.27	1.814	.146
	31-40	67	3.38		
	41-50	41	3.49		

	Above 50	25	3.64		
	Total	200	3.40		
Green Premium Pricing	20-30	67	2.99	3.773	.012
	31-40	67	3.13		
	41-50	41	3.44		
	Above 50	25	3.70		
	Total	200	3.22		
Buying Decision of Green	20-30	67	3.31	6.037	.001
Products	31-40	67	3.63		
	41-50	41	3.87		
	Above 50	25	4.18		
	Total	200	3.64		

Based on the ANOVA results (F = 1.556, p = .201) from Table 15, it can be observed that there are no significant differences on environmental concerns and beliefs between age groups 20-30 (Mean = 3.69), 31-40 (Mean =3.65), 41-50 (Mean = 3.88), and above 50 (Mean = 4.02).

The ANOVA test (F = 2.299, p = .079) from Table 8, shows that there is no statistical significant difference between the participants of different age groups, 20-30 (Mean = 3.25), 31-40 (Mean = 3.22) and 41-50 (Mean = 3.56) and above 50 (Mean = 3.74) regarding eco-labels.

Based on the ANOVA results from Table 15, it can be observed that there are no significant differences on green branding and packaging (p = .201) among age groups 20-30, 31-40, 41-50, and above 50.

The ANOVA test (p = .146) from Table 15, shows that there is no statistical significant difference regarding effectiveness of green advertising among age groups 20-30, 31-40, 41-50, and above 50.

From the ANOVA results, (p = .012) it can be observed that there is a statistical significance in difference of perception of green premium pricing between the participants of different age groups.

The ANOVA test (F = 6.037, p = .001) illustrates that there is a statistical significant difference in buying decision of green products among age groups 20-30, 31-40, 41-50, and above 50.

4.5.3 Green Marketing Tools and Green Buying Decision across Education Level

Table 16

Results of ANOVA across Education Level

Variables		N	Mean	F	Sig.
Environmental Concerns and Beliefs	Intermediate	58	3.37	13.39	.000
	Bachelor's Degree	75	3.74		
	Master's Degree	67	4.11		
	Total	200	3.76		
Eco-labels	Intermediate	58	2.61	32.46	.000
	Bachelor's Degree	75	3.47		
	Master's Degree	67	3.90		
	Total	200	3.36		
Green Branding and Packaging	Intermediate	58	3.31	19.84	.000
	Bachelor's Degree	75	3.80		
	Master's Degree	67	4.02		
	Total	200	3.73		
Green Advertising	Intermediate	58	3.23	2.31	.101
	Bachelor's Degree	75	3.44		
	Master's Degree	67	3.51		
	Total	200	3.40		
Green Premium Pricing	Intermediate	58	2.63	23.67	.000
	Bachelor's Degree	75	3.17		
	Master's Degree	67	3.78		
	Total	200	3.22		
Buying Decision of Green Products	Intermediate	58	3.04	23.67	.000
	Bachelor's Degree	75	3.65		
	Master's Degree	67	4.15		
	Total	200	3.64		

Based on the ANOVA results (F = 23.67, p = .000) from Table 16, it can be observed that there is a significant difference in buying decision of green products between education level of participants, Intermediate (Mean = 3.04), Bachelors (Mean = 3.65) and Masters (Mean = 4.15).

The ANOVA test suggests that there is a statistical significance in difference regarding environmental concerns and beliefs (p = .000) among the participants of different education levels, Intermediate (Mean = 3.37), Bachelors (Mean = 3.74) and Masters (Mean = 4.11).

Based on the ANOVA results (p = .000), it can be observed that there is a significant difference in perception of eco-labels among the participants of different education levels.

The ANOVA test suggests that there is a statistical significance in difference regarding green branding and packaging (p = .000) among the participants of different education levels.

Based on the ANOVA results (p = .000), it can be observed that there is a significant difference regarding green premium pricing among the participants of different education levels.

Based on the ANOVA results (p = .101), it can be observed that there are no significant differences in perception of green advertising among the participants of different education levels.

4.5.4 Green Marketing Tools and Green Buying Decision across Monthly Household Income

Table 17

Results of ANOVA across Monthly Household Income

Variables		N	Mean	F	Sig.
Environmental Concerns and Beliefs	Below 20,000	8	2.97	17.03	.000
	20,001-40,000	38	3.08		
	40,001-60,000	62	3.86		
	Above 60,000	92	4.03		
	Total	200	3.76		
Eco-labels	Below 20,000	8	1.85	30.10	.000
	20,001-40,000	38	2.51		
	40,001-60,000	62	3.36		
	Above 60,000	92	3.85		
	Total	200	3.36		
Green Branding and Packaging	Below 20,000	8	3.05	28.44	.000
	20,001-40,000	38	3.08		
	40,001-60,000	62	3.73		
	Above 60,000	92	4.06		
	Total	200	3.73		
Green Advertising	Below 20,000	8	2.95	11.90	.000
	20,001-40,000	38	2.86		
	40,001-60,000	62	3.50		
	Above 60,000	92	3.60		
	Total	200	3.40		

Green Premium Pricing	Below 20,000	8	1.40	42.81	.000
	20,001-40,000	38	2.34		
	40,001-60,000	62	3.16		
	Above 60,000	92	3.78		
	Total	200	3.22		
Buying Decision of Green Products	Below 20,000	8	1.89	41.56	.000
	20,001-40,000	38	2.78		
	40,001-60,000	62	3.63		
	Above 60,000	92	4.15		
	Total	200	3.64		

Based on the ANOVA results (F = 41.56, p = .000), it can be concluded that there is a significant difference in buying decision of green products among respondents having different monthly household incomes, below 20,000 (Mean = 1.89), 20,001-40,000 (Mean = 2.78), 40,001-60,000 (Mean = 3.63) and above 60,000 (Mean = 4.15).

The ANOVA test (F = 17.03, p = .000), suggests that there is a statistical significance in difference regarding environmental concerns and beliefs among respondents having different monthly household incomes, below 20,000 (Mean = 2.97), 20,001-40,000 (Mean =3.08), 40,001-60,000 (Mean = 3.86), and above 60,000 (Mean = 4.03).

Based on the ANOVA results (p = .000), it can be observed that there is a significant difference in perception of eco-labels among the participants having different monthly household incomes.

The ANOVA test (p = .000) suggests that there is a statistical significance in difference regarding green branding and packaging among the participants having different monthly household incomes.

From the ANOVA results (p = .000), it can be concluded that that there is a significant difference in effectiveness of green advertising among the participants having different monthly household incomes.

Based on the ANOVA results (F = 42.81, p = .000), it can be observed that there is a statistical significant difference in perception of green premium pricing among the respondents having different monthly household incomes, below 20,000 (Mean = 1.40), 20,001-40,000, (Mean = 2.34), 40,001-60,000 (Mean = 3.16), and above 60,000 (Mean = 3.78).

4.6 Other Findings of the Study

Table 18

General Questions

Questions	Yes	No
Would you consider yourself an environmental enthusiast?	40%	60%
Attracted to buy products from company that cares for environment?	71.5%	28.5%
Do you prefer green products over non-green products?	85.5%	14.5%

Table 18 shows the percentages of respondents who answered yes or no for three questions. The questions were asked to gauge the general sentiments of the respondents regarding green products. 40% of respondents were somewhat environmental enthusiasts while the rest 60% were not environmental enthusiasts. Moreover, 71.5% of respondents were attracted to buy products from environmentally responsible companies whereas the other 28.5% of respondents did not care about buying from environmentally responsible companies. Additionally, 85.5% of respondents preferred green or eco-friendly products whereas the other 14.5% did not prefer green products over non-green products.

Table 19

Green Marketing Element that Influences Consumers' Green Purchase Decision

Marketing Elements	N	%
Certification/labels on the product	57	28.5%
Packaging	28	14.0%
Product advertisement	28	14.0%
Brand image	49	24.5%
Product price	38	19.0%

Table 19 depicts the percentages of green marketing elements which influence respondents' purchase decision of green products. It can be observed that certification/labels on the products was the biggest influencer of buying decision of green products with 28.5% of respondents selecting it. Brand image came second and product price came third with 24.5% and 19% of respondents selecting these marketing elements respectively. Product advertisement came last with only 14% of respondents selecting this marketing element along with packaging which also was selected by other 14% of participants.

Table 20

Categories in which Respondents Prefer to Buy Green Products

Category	N	Percent of Cases
Food Product	170	85.4%
Electronics	51	25.6%
Cosmetics	73	36.7%
Automobile	63	31.7%
Others	64	32.2%

Table 20 depicts the multiple choice/response question "In which of the categories, do you prefer to buy green/eco-friendly products?" with five options. From Table 20, it is observed that highest number of respondents (N = 170) i.e. 85.4% prefer to buy green food products. Similarly, 36.7%, 31.75%, and 25.6% of respondents prefer to buy green or eco-friendly products in cosmetics, automobile and electronics categories respectively. Likewise, 64 respondents i.e. 32.2% of respondents prefer to buy green product in other varied categories.

4.7 Summary of Hypothesis Testing

The results of hypothesis of the study listed in chapter 1 are listed as follows.

Table 21

Result of Hypothesis Tests

S.N.	Hypothesis	Result	Impact
H1	Environmental concern and belief has a significant impact on consumer buying decision of green products.	Accepted	Positive
H2	Eco-labels has a significant impact on consumer buying decision of green products.	Accepted	Positive
H3	Green branding and packaging has a significant impact on consumer buying decision of green products.	Accepted	Positive
H4	Green advertising has a significant impact on consumer buying decision of green products.	Rejected	-
H5	Green premium pricing has a significant impact on consumer buying decision of green products	Accepted	Positive

Table 21 exhibits the result of hypothesis testing. The findings are summarized as follows:

i. Hypothesis H1 was accepted. The impact of environmental concern and belief on green buying decision is found statistically significant among the consumers of Kathmandu district. Since beta coefficient is positive, it can be concluded that environmental belief has a significant positive impact on green buying decision.

ii. Hypothesis H2 was accepted. The impact of eco-labels on green buying decision is found statistically significant among the consumers. Since beta coefficient is positive, it can be concluded that eco-labels has a significant positive impact on green buying decision.

iii. Hypothesis H3 was accepted. The impact of green branding and packaging on green buying decision is found statistically significant among the consumers. Since beta coefficient is positive, it can be concluded that green branding and packaging has a significant positive impact on green buying decision.

iv. Hypothesis H4 was rejected. The impact of green advertising on green buying decision is found statistically insignificant among the consumers of Kathmandu district. The beta coefficient is positive but p-value is greater than 0.05. Thus, it can be concluded that green advertising has no significant impact on consumer buying decision of green products.

v. Hypothesis H5 was accepted. The impact of green premium pricing on green buying decision is found statistically significant among the consumers. Since beta coefficient is positive, it can be concluded that green premium pricing has a significant positive impact on green buying decision.

4.8 Summary of Buying Decision of Green Products across Moderating (Socio-demographic) Variables

Table 22

Results of Buying Decision of Green Products across Moderating (Socio-demographic Variables)

Variables	Remarks	Results
Gender	Male and Female have similar green products buying decisions.	There are no significant differences between male and female participants regarding buying decision of green products.
Age Group	20-30 make lowest green purchases while Above 50 make highest green purchases	There is a statistically significant difference between age groups, 20-30, 31-40, 41-50, and above 50 regarding green purchases.
Education Level	Intermediates – Lowest green purchases and Masters Level – Highest green purchases	There is a statistically significant difference in green purchases among participants of Intermediate, Bachelors and Masters Level.
Monthly Household Income	Below 20,000 - Lowest green purchases and Above 60,000 – Highest green purchases	There is a statistically significant difference in buying decision of green products among participants having below 20,000, 20,001-40,000, 40,001-60,000, and above 60,000 monthly incomes.

4.9 Impact of Green Marketing on Consumers according to Interviewed Marketers

In order to examine the impact of green marketing on consumers according to the sellers' perspectives, 2 business owners and marketers of green products were interviewed: Kajol Sethia of Vegan Diary Nepal and Ojaswi Baidya of Tyre Treasures.

Firstly, the characteristics of the interviewed business owners (marketers) will be shortly described in order to understand the backgrounds of the interviewed persons. Both of the interviewees are female, and they belong to 20-30 and 30-40 age groups respectively. Both of them have master's degrees. Both marketers of green products are working in Kathmandu. Interviewees are highly educated and successful in their respective fields.

Since impact of green marketing on consumer buying decision of green products in Kathmandu district is the main topic of this research, it is analyzed through related questions. This research study focuses especially at how the interviewed marketers observe impact of green marketing on green buying decision of consumers.

Marketers were asked who purchased their green products in Kathmandu and what consumers thought about their green products. Their responses include:

> *"Generally, the health-conscious adults from 30 to 60 age groups (especially people from 40 to 55 years of age) and sometimes environmental enthusiasts are the consumers of our vegan products and they hold good opinions about these items and state their beneficial effects upon their lives."*
>
> (Kajol Sethia)

> *"Primarily, costumers buy our products for their homes and offices and they are above 30 years of age, well-educated, and environmentally conscious individuals. They are attracted to our up-cycled designs and provide positive feedback after using our products."*
>
> (Ojaswi Baidya)

It is observed that the responses from marketers coincide with findings of the research survey where majority of green purchases came from people who were environmentally conscious individuals above 40 years of age and had at least bachelor's degrees.

4.9.1 Impact of Environmental Concern and Beliefs

The second question was related to the impact of consumers' environmental concern and beliefs on their purchases and the responses of marketers are as follows.

> *"I have seen personal health related concerns drive their purchases along with their environmental beliefs. And, environmental enthusiasts and workers from NGOs also frequently purchase our products."*
>
> (Kajol Sethia)

> *"Customers are driven by their environmental concerns and beliefs to buy our products and they feel meaningful and responsible after buying them. In fact, we provide letter of appreciation for the consumers who purchase 100 kg weighted up cycled tyres."*
>
> (Ojaswi Baidya)

These responses are similar to the survey findings where environmental concerns and belief of consumers had positively driven their green purchases and it can be seen that mainly health-conscious customers consume green vegan products.

4.9.2 Impact of Eco-labels

The third question was about the impact of eco-labels on their consumers' buying decision and their responses include:

> *"My company has received ISO, FSSAI and US FDA certifications and labels in many products but consumers do not give much attention to those labels and do not base their decisions on the labels."*
>
> (Kajol Sethia)

"Our enterprise has been trying for certifications for products but the absence of those has not affected costumers' purchases at all. Majority of costumers also don't seek the labels."

(Ojaswi Baidya)

These findings are in contrast to the findings of consumer survey as eco-labels had significant positive impact on purchase decisions but the interviewed marketers state that generally costumers are indifferent to eco-labels.

4.9.3 Impact of Green Branding and Packaging

The fourth question was related to the influence of their green branding and packaging activities on consumers' buying decisions. Their answers are as follows.

"Our green branding strategies like marketing our products as plant-based diary alternatives have attracted many consumers and we plan to adopt recyclable packaging in future to attract more consumers."

(Kajol Sethia)

"We collaborate with other green companies in events for branding purposes which has resulted in significant increase in customers and sales and we are working on logistics to implement biodegradable packaging in upcoming days to target environmentally conscious costumers."

(Ojaswi Baidya)

The marketers also state that their green branding and packaging strategies have attracted many new costumers and resulted in much more green purchases by the consumers. The result of the consumer survey also states that green branding and packaging have significant positive impact on green purchases.

4.9.4 Impact of Green Advertising

The fifth question was about the impact of their green advertising activities towards attracting consumers to buy their green products. Their responses include:

"We practice niche green advertising through social media and some outdoor advertising and these activities have resulted in influx of customers. Health-

concerned consumers get motivated to buy vegan products through our social media ads."

(Kajol Sethia)

"Our green advertising activities are currently limited to social media only and customers are attracted to buy upcycled furniture through our online posts about those décor items and we get new customers from such ads."

(Ojaswi Baidya)

Contrary to the result of consumer survey, the interviewed marketers state that their niche green advertising on online social media have majorly influenced consumers to purchase their products. On the other hand, the results of survey state that green advertising does not have significant impact on consumer buying decision of green products.

4.9.5 Impact of Premium Green Pricing

Marketers were asked what the impact of premium green pricing was on their costumers' green purchases and their responses include:

"Those customers who really are intending to buy our vegan products are satisfied with the premium pricing that we charge because of the costly ingredients and thus it has not fazed away any potential consumers at all."

(Kajol Sethia)

"Our sustainable business of green products cannot run without charging reasonable premium pricing and most of our consumers are well-educated who buy the products happily. So, this has been the correct course for our company"

(Ojaswi Baidya)

These results from the marketers coincide with the results from the consumer survey where green premium pricing positively impacted the buying decision of green products.

4.10 Major Findings of the Study

i. Consumers who were above 40 years of age, had Masters' degrees, and whose household income was above 60,000 were the ones who make most green purchases.
ii. 40% of respondents were somewhat environmental enthusiasts while the rest 60% were not environmental enthusiasts from sample size of 200.
iii. 71.5% of respondents were attracted to buy products from environmentally responsible companies whereas the other 28.5% of respondents did not care about buying from environmentally responsible companies.
iv. 85.5% of respondents preferred green or eco-friendly products whereas the other 14.5% did not prefer green products over non-green products.
v. 85.4% of consumers prefer to buy green food products from sample size of 200 and food products are the most preferred green product category by consumers.
vi. 36.7%, 31.75%, and 25.6% of respondents preferred to buy green or eco-friendly products in cosmetics, automobile and electronics categories respectively. Likewise, 32.2% of respondents preferred to buy green product in other varied categories.
vii. From the consumer survey, it is found that environmental concern and beliefs has significant positive impact on green buying decision among the consumers of Kathmandu district.
viii. Eco-labels had significant positive impact on green buying decision of consumers of Kathmandu district.
ix. Green branding and packaging has a significant positive impact on buying decision of green products.
x. From the consumer survey, it is found that green advertising has no significant impact on consumer buying decision of green products.
vi. Green premium pricing has a significant positive impact on green buying decision.
vii. There are no significant differences between male and female participants regarding buying decision of green products.
viii. 20-30 age group make lowest green purchases while above 50 make highest green purchases.

ix. Consumers who have only passed intermediate level make lowest green purchases while consumers having master's degrees make highest green purchases

x. There is a statistically significant difference in buying decision of green products among participants having below 20,000, 20,001-40,000, 40,001-60,000, and above 60,000 monthly incomes. Consumers having below 20,000 monthly household incomes make lowest green purchases and consumers having above 60,000 monthly household incomes make highest green purchases.

xi. The interviewed marketers stated that environmental concerns and beliefs, green branding and packaging, green advertising, and green premium pricing positively impacted consumers' buying decision of their products, whereas, marketers stated that consumers were indifferent towards eco-labels or certifications of their products.

CHAPTER V
DISCUSSION, CONCLUSION AND IMPLICATION

This chapter includes the major discussions of findings of the study in order to reach conclusion. This chapter has been divided into three segments. The first segment deals with discussion which involves comparison of the findings with different related literatures. Similarly, the conclusion is drawn in second segment from result obtained from data analysis where third segment deals with theoretical and practical implications.

5.1 Discussion

The general objective of the study is to examine the effects of green marketing tools along with consumers' environmental concerns and beliefs on their buying decision of green products. A number of formulated hypotheses were tested to examine the effects as a result of which different findings have been observed. The results showed that environmental concerns and beliefs, eco-labels, green branding and packaging, and green premium pricing have significant impact on green buying decision. Likewise, green advertising has insignificant impact on green buying decision.

Supporting the corresponding hypothesis, the result revealed that environmental concerns and belief has significant positive impact on buying decision of green products. This result indicates that individual's progressive concerns and beliefs towards the environment will increase his/her green buying decision. The finding is parallel with the findings of Bamberg (2003), Kim and Choi (2005), and Juwaheer et al. (2012). The previous literatures established empirical evidences that individuals' affirmative attitudes towards supporting the protection of the environment and mankind influences their purchasing habits and they primarily prefer green or eco-friendly products. But, this result is in contrast to the results observed by Coddington (1990) and Podvorica and Ukaj (2020) who concluded that those consumers who are more conscious towards the environment do not necessarily base their purchases around eco-friendly products.

Regarding eco-labels, the study found that eco-labels has significant positive impact on buying decision of green products indicating that ISO or Nepal Standard (NS) etc.

certified green products will increase the purchase of green products by consumers in Kathmandu district. This result is consistent with the result of Brécard (2017), Juwaheer et al. (2012), and Gallastegui (2002) as they also found that providing information about the environmental outcomes through eco-labels affects consumers' product preference. Moreover, Thogerson (2000) observed that eco-labels have to be understood, trusted and valued as a tool to be impactful in decision making which is also parallel with the findings of the study as the items under eco-labels which are "I find eco-labels easy to recognize and read", "I find eco-labels very useful in choosing a product", "I prefer to purchase green products if they are certified by environmental organization" received similar responses by the participants. Therefore, it was found that the respondents who recognized the eco-labels also found those to be useful and preferable while choosing products and vice-versa.

Likewise, true to the hypothesis, this research study found that green branding and packaging has significant impact in consumers' buying decision of green products. This finding is in line with that of Juwaheer et al. (2012), Huang et al. (2014), and Yang and Zhao (2019). This finding means that if companies brand themselves "green" through positioning strategies and make their packaging sustainable and recyclable, then there would be increase in the purchase and consumption of green products from those companies. Green impression of the brands could truly drive the consumers' green buying decision.

Moreover, green premium pricing also has a significant positive influence on green buying decision. This is consistent with the results of Juwaheer (2012) and Rahbar and Wahid (2011). Since it was found in the study that consumers whose monthly household incomes were above 60,000, had the most buying decisions and purchased green products. Thus, it can be observed that those consumers who had positive attitudes towards green premium pricing were eager to purchase organic and sustainable products.

This research study also found that green advertising had no significant impact on buying decision of green products. This is in contrast to the findings of Juwaheer et al. (2012) and See and Mansori (2012). On the other hand, this result in consistent with the findings of Leonidou et al. (2014) and Podvorica and Ukaj (2020), who concluded that due to misleading advertising, consumers had doubts over the authenticity of

environmental claims and thus those advertisements did not influence purchase decisions.

Furthermore, this study revealed that there are no significant differences between male and female participants regarding buying decision of green products which is similar to the findings of Gilg et al. (2005), Chen and Chai (2010), and Zhu et al. (2013).

This research also observed that the older the respondents were, the more purchasers of green products could be seen, and the younger they were, the more non-purchasers. This finding is parallel to the finding of Do Paco and Raposo (2009).

This study also concluded that highly educated people i.e. people with bachelor's degree and especially master's degree are more likely to choose green goods as people with low ecological awareness are much less likely to purchase green products than consumers who more informed about the environmental problems. Chan (2000) and Diamantopoulos et al. (2003) observed similar results for China and the UK respectively.

Additionally, the study also found that as the monthly incomes went higher, the green purchases also kept on increasing which is similar to the findings of Zhu et al. (2013) and Zhao et al. (2014).

5.2 Conclusion

After completing the research and knowing these research outcomes, it can be said that residents of Kathmandu district are no exception – the mature adults and educated consumers are interested in buying green products, and they support green or environmental marketing. The current research aimed to explore the urban consumers' purchase decisions of green products and the present scenario of green marketing in Nepal. Moreover, it also investigated the emerging factors which are affecting urban consumers' purchase decisions regarding eco-friendly products.

Consumers in Kathmandu district are encouraged by green branding and packaging, eco-labels and rational green pricing activities to make green purchase decisions while green advertising is not necessarily prioritized by the consumers when they are

making green purchases. Thus, manufacturers and marketers of green products should adopt dynamic green branding and packaging strategies and make provisions for certifications of their green products from concerned authorities to attract conscious and educated consumers who intend to purchase green or eco-friendly products.

The study also found that consumers who care about sustainable environment or environment enthusiasts evaluate brands by their green product concept and select those products with positive impact on the environment. Thus, consumers need to be made more aware of the benefits of green marketing on environmental sustainability as they have the ability to decide to buy eco-friendly products through green marketing program.

The buying decision of green products varied across age groups, education levels, and monthly household incomes. Men and women had similar green buying decisions. Thus, green brands or companies should target educated men and women through appropriate campaigns and media for their sustainable products.

Food products and energy saving products were the most in-demand green products which were bought by varied consumers from different demographics. Hence, there is immense opportunity for the manufacturers and the new entrepreneurs to venture into these green product categories.

Furthermore, the interviews with marketers also strengthened the need for effective green branding and packaging, green pricing, and increasing consumers' environmental concerns and beliefs activities to encourage green buying decisions from the consumers. For startup green companies, niche green advertising on social media can attract potential consumers.

5.3 Implications

The findings of this research has various implications for consumers, producers, government concerned organizations, future researchers and the general public. There is increasing trend of using organic or green food products, energy saving products like various appliances and green clothing in Kathmandu district. Decorative items made from recycled materials are also becoming mainstream in the district. These days, the women of this district prefer organic cosmetics and skincare products. These

trends are slowly increasing which indicate positive steps for green marketed companies/brands as well as the environment and the wellbeing of the consumers.

For Green Manufacturers and Marketers

It is essential for the manufacturing companies and brands to observe that many urban consumers in the district prefer the products having good brand image as well as certifications/eco-labels like ISO Standards, Nepal Standards, and ENERGY STAR etc. Therefore, green branding and packaging should also be prioritized by the corporates and brands. Likewise, as the consumers are starting to become aware and conscious about the green certifications or labels and ingredients list, the corporates should be transparent and not make green washed products but authentic green marketed products instead. This can come up with some cost but it can also be somewhat attached to green pricing of the product as it has been observed that consumers who are buying green products are above 30 years of age and they are financially sound.

For the general public, it is imperative to spread knowledge about green products through green branding and packaging strategies and certain misconceptions about those products should be cleared through certifications. The green brand image of the product was major influencer that encouraged consumers to purchase green products. Therefore, products should be manufactured and processed in ecological and sustainable ways and green attributes of the products should be displayed in the packaging, labels, and ingredients list. These techniques can make differences in the buying decisions and consumption of green products.

For Regulatory Institutions

Additionally, the concerned government institutions should inspect the green advertised products and claims in their advertisements as the majority of the consumers in this research study did not believe that those claims at all. This would result in consumers regaining the trust on the advertised green products and being encouraged to try the sustainable green products.

For Future Researchers

This research study is also relevant to future researchers because there are just few research works conducted in the field of green marketing in Nepal. This study serves as the reference to future research where some green marketing tools which are significant today may be changed and new models of green marketing may emerge. Likewise, some socio-demographic moderating or variables may turn significant or insignificant in the future study. The future researchers through the help of this study can measure the change from now and then in the future in buying decision of green products through green marketing tools. Furthermore, this research study is limited to green products and the future researchers can explore green costumer services like green hotel service and green banking services.

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APPENDIX 1

Questionnaire on Impact of Green Marketing Tools on Consumer Buying Decision of Green Products in Kathmandu District.

Dear respondent,

I am Kirti Panthi, an MBA student from School of Management, Tribhuvan University. I am conducting a research on "Impact of Green Marketing Tools on Consumer Buying Decision of Green Products in Kathmandu District" as subject to graduate research project under Tribhuvan University. The information collected below is purely for academic purposes and your responses and inputs will be kept confidential at all times. It will only take up to 10 minutes to complete this questionnaire.

Section I:

1. Gender: Male (97) Female (103)

Please tick one of each criteria group

2. Age group	3. Education	4. Monthly Household Income	5. Occupation
20 - 30 (67) 31 - 40 (67) 41 - 50 (41) Above 51 (25)	1. Intermediate Level (58) 2. Bachelor's degree (75) 3. Master's degree and above (67)	1. Below 20,000 (8) 2. 20,001-40,000 (38) 3. 40,001-60,000 (62) 4. Above 60,000 (92)	1. Employee (95) 2. Entrepreneurship (45) 3. Student (29) 4. Housewife (31)

Section II:

6. Would you consider yourself an environmental enthusiast?

a. Yes (80) b. No (120)

7. Are you attracted to buy products from a company that cares for environment?

a. Yes (143) b. No (57)

8. Do you prefer eco-friendly/green products over non eco-friendly/non green products?

a. Yes (171) b. No (29)

9. What is the main marketing element that strongly influences your purchase decision of green/eco-friendly products? *(tick only one)*

a. Certification/labels on the product (57)

b. Packaging (28)

c. Product advertisement (28)

d. Brand image (49)

e. Product price (38)

10. In which of the following product categories, do you prefer to buy green/environment friendly products? (*tick all that apply, multiple choice)*

a. Food product (170)

b. Electronic Appliances (51)

c. Cosmetics (73)

d. Automobile(Vehicles) (63)

e. Others (64)

Section III:

For the following statements indicate your level of agreement.

(Strongly Disagree, Disagree, Neutral, Agree, Strongly Agree)

Environmental Concern and Beliefs	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
The environment is being severely damaged.	1	17	29	93	60
I as a consumer have a bigger role in protecting the environment.	1	13	42	91	53
Green/Eco friendly products are better option for future sustainability.	2	19	42	77	60
I consider the environmental impact of my purchase when making many decisions.	7	41	55	70	27
Supporting environmental protection makes me feel meaningful.	4	29	37	81	49
Eco-Labels (Certifications/Symbols on the Product)					
I find labels/certifications (such as ISO Standards, Nepal Standards (NS) Mark, and ENERGY STAR) easy to recognize and read.	18	44	36	73	29
I find eco-labels/certifications very useful in choosing a product.	14	36	39	74	37
It is easy for me to identify eco-friendly products in Nepal.	14	45	57	68	16

I look at the ingredients label in the product to see if contents are environmentally safe.	13	32	46	76	33
I prefer to purchase green/eco-friendly products if they are certified by environmental organization.	9	31	37	75	48
Green Branding and Packaging					
I find green branded products authentic.	0	11	37	109	43
Green branded products are better than non-green products.	0	10	60	91	39
I trust popular eco-friendly/green branded products in Nepal.	1	14	56	115	14
If the brand promotes itself green, it will come in my preference list.	1	31	49	84	35
Packaging helps me distinguish a green product.	4	24	53	92	27
It is important to reuse or recycle the packaging after use.	3	22	48	80	47
I find products with bio-degradable/eco-friendly packaging more appealing than plastic packaging.	3	22	30	84	61
Green Advertising					
Green/Environmental advertising catches my attention.	3	33	50	90	24
I enjoy watching advertisement focusing on product's environmental values.	5	38	60	79	18

I trust the environmental claims in advertisements of popular Nepalese brands.	3	35	87	70	5
I have more confidence in advertised green products than in unadvertised green products.	3	27	85	74	11
Attractive environmental advertisement will encourage me to buy green products.	1	15	57	100	27
Green Premium Pricing					
When it comes to green products, pricing will not be my major concern.	21	50	40	67	22
I believe a portion of the price for green products goes to a worthy environmental cause.	18	46	72	56	8
I think it is reasonable to pay a higher price for products that are produced in an ecological way.	14	42	45	76	23
I feel satisfied to have somewhat costly eco-friendly products in my house.	11	26	49	77	37
If green features in the product result to increase in price, I am ready to pay for it.	21	35	39	74	31
Buying Decision of Green/Eco-friendly Products					
I often buy paper and plastic products that are made from recycled materials.	11	58	52	63	16
I often buy organic foods and vegetables.	11	39	24	57	69
I often buy energy-saving	4	16	29	61	90

products like CFL bulbs etc.					
I often buy products with bio-degradable or recyclable packaging.	11	39	51	62	37
I often buy green products even if they cost somewhat more than the non-green products.	16	44	34	47	59
When I have a choice between two equal products, I buy the one less harmful to the environment.	1	10	35	53	101

Thank you for completing the questionnaire. Please check if you have missed or wrongly answered any question.

APPENDIX 2

Interview Questions:

i. Who are the target consumers for your green products and what do they think about the products?

ii. What is the impact of environmental concerns and beliefs on consumers' buying decision of your green products?

iii. What is the impact of green branding and packaging on consumers' buying decision of your green products?

iv. What is the impact of eco-labels or certifications on consumers' buying decision of your green products?

v. What is the impact of green advertising on consumers' buying decision of your green products?

vi. What is the impact of green premium pricing on consumers' buying decision of your green products?