



<input checked="" type="checkbox"/>	Master's thesis
<input type="checkbox"/>	Licentiate's thesis
<input type="checkbox"/>	Doctor's thesis

Subject	International business	Date	April 2003
Author(s)	Pilvi Hyödynmaa	Student number	
		Number of pages	104 +24
Title	BUYING A GREEN BRAND – WHY? Consumers and the Luonnonystävä Brand		
Supervisor(s)	D.Sc. Niina Nummela and M.Sc. Birgitta Sandberg		

Abstract

Many studies have indicated that there is a clear demand for environmentally friendly products. Therefore, it is also important to find out which factors are of importance in the consumer's decision to buy a green brand. *Hence, the purpose of this study was to understand which characteristics of a green brand affect the consumer's buying decision and to analyse these.* In order to examine this topic the following sub-objectives were set:

- To analyse the reasons for consumer interest and disinterest in green products
- To examine the influence of the associations made on the buying decision of a green brand
- To investigate the impact of consumer loyalty on this decision
- To study the influence of name awareness on this decision.

It was decided to study consumer opinions and a quantitative approach seemed most suitable for solving the research problem. A judgement sample was used to choose the respondents and the sample size was 200. A personal interview, in which a questionnaire was used, was then done to obtain the data. SPSS for Windows was used for data analysis and the main analysis methods were descriptive statistics, frequencies, cross-tabulation, non-parametric tests, correlation, and factor analysis.

Green brand associations seemed to have more impact on consumers' buying decisions than brand name awareness. Issues related to brand associations such as eco-friendliness (17%), low price (16%), and issues of quality (13%) were among the most important buying criteria. Then again familiarity, brand symbol, and well-known product, which are all related to brand name awareness, were not mentioned as buying criteria very often. The influence of brand name awareness on the buying decision is, however, difficult to study, because it can be subconscious. Brand loyalty seemed to carry some importance, when examined, for example, through previous usage satisfaction (13%). Still it needs to be studied more closely. The study, however, shows that loyal customers of the Luonnonystävä brand are more environment-oriented than the other respondents when making buying decisions. Based on that one could reason that an environmentally aware customer is more likely to become a loyal customer of a green brand.

In general the future of green brands remains an open question. As consumers become increasingly aware of the environment, they might choose to buy no brand at all instead of buying a green one. It could even happen that the environment loses public's attention to other issues, such as world peace or problems in society. On the other hand, big masses of consumers are not likely to change their habits over night. If they have a habit of buying a certain brand – green or not – they might not be willing to give it up unless product performance suddenly deteriorates. So the future of green brand is not evident, but strongly dependent on the constancy of consumers' values and buying habits.

Key words	eco-friendliness; greenness; brand equity; brand name awareness; brand loyalty; brand associations; buying decision; quantitative study; survey; questionnaire
Further information	classified 14.5.2005