FACTORS AFFECTING SOCIALLY RESPONSIBLE CONSUMER BEHAVIOR AND THEIR RELATIVE IMPORTANCE IN SRI JAYEWARDENEPURA, KOTTE ELECTORATE.

BY Malawi Arachchige Asoka Malkanthie Factors Affecting Socially Responsible Consumer

Behavior and Their Relative Importance in Sri

Jayewardenepura, Kotte Electorate.

By

Malawi Arachchige Asoka Malkanthie

Thesis submitted to the University of Sri Jayewardenepura for the award of the degree of Master of Philosophy in Management on 19th November, 2008 The work described in this thesis was carried out by me under the supervision of Dr. B.N.F.Warnakulasooriya and a report on this has not been submitted in whole or in part to any university or any other institution for another Degree/ Diploma.

Signed by,

Smaller

M.A.A. Malkanthie

(GS/MC/2354/2004)

Certification

I certify that the above statement made by the candidate is true and that this thesis is suitable for submission to the university for the purpose of evaluation.

Signed by,

Dr. B.N.F. Warnakulasooriya,

Head,

Department of Marketing Management,

University of Sri Jayewardenepura,

Gangodawilla, Nugegoda,

Sri Lanka

November, 2008

Table of Contents

Content	ige
LIST OF TABLES	IV
LIST OF FIGURES.	VIII
LIST OF ANNEXURE.	IX
LIST OF ABBREVIATIONS	X
ACKNOWLEDGEMENT	XI
ABSTRACT	XII
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the study	1
1.2 Purpose of the study	3
1.3 Research problem	3
1.4 Research objectives	3
1.5 Research questions	4
1.6 Research Hypotheses	4
1.7 Significance of the study	6
1.8 Limitations of the Study	8
CHAPTER TWO: CONCEPTUAL FRAMEWORK AND LITERAT	URE
REVIEW.	9
2.1 Introduction.	9
2.1.1 Waste management in Sri Lanka	9
2.2 Literature on Social Responsibility	10
2.3 Literature on Social Responsible Consumer Behavior	10
2.4 Literature on Psychographic factors and SRCB	12
2.5 Literature on Values, Life Styles and SRCB	12
2.6 Literature on Demographic factors and SRCB	18
2.7 Literature on Attitude and SRCB	23
2.8 Conceptual Framework	27
CHAPTER THREE: RESEARCH METHODOLOGY	20
	28 28
3.1 Introduction	29
3.2 Research design	29
3.2.2 Type of the study	29
3.2.3 Study setting.	30
3.2.4 Time horizon of the study.	30
3.2.5 Data sources used for the study.	30
3.2.6 Research approach	31
3.3 Sampling plan	31
3.3.1 Population.	31
3.3.2 Sampling unit	31
3.3.3 Sampling frame	32
c.c.c - sampang namen	-

3.3.4 Sampling procedure	32
3.3.5 Unit of analysis of the study	33
3.3.6 Sample size	33
3.4 Research instrument	33
3.5 Contact method of respondents	34
3.6 Operational definitions and measures	34
3.7 validations of measurement properties	39
3.7.1. Content validity	39
3.7.2. Construct validity.	40
3.7.3 Reliability of the construct	58
3.8 Analysis of data.	63
5.6 Analysis of data	03
CHAPTER FOUR: DATA ANALYSIS	65
4.1 Introduction	65
4.1.1. Psychographic characteristics	68
4.1.2. Demographic characteristics.	71
4.1.3. Environmental attitudes	72
4.2. HYPOTHESES TESTING	74
4.2.1. Testing the relationship between psychographic characteristics a	ınd
SRCB	74
4.2.1.1. Testing the Hypothesis one	74
4.2.1.2. Testing the Hypothesis 1.1	76
4.2.1.3 Testing the Hypothesis 1.2	77
4.2.1.4 Testing the Hypothesis 1.3	78
4.2.1.5 Testing the Hypothesis 1.4	79
4.2.1.6 Testing the Hypothesis 1.5	80
4.2.1.7. Testing the Hypothesis 1.6.	82
4.2.1.8. Testing the Hypothesis 1.7	83
4.2.2. Testing the relationship between demographic characteristics an	
	84
4.2.2.1 Testing the Hypothesis 2.1	
4.2.2.2 Testing the Hypothesis 2.2.	
4.2.2.3 Testing the Hypothesis 2.3	
4.2.2.4 Testing the Hypothesis 2.4	
4.2.2.5 Testing the Hypothesis 2.5	
4.2.2.6 Testing the Hypothesis 2.6.	. 93
4.2.3. Testing the relationship between environmental attitudes and SF	
	96
4.2.3.1. Testing the Hypothesis three	
4.2.3.2 Testing the Hypothesis 3.1	
4.2.3.3 Testing the Hypothesis 3.2	
4.2.3.4 Testing the Hypothesis 3.3	. 99
4.2.3.5 Testing the Hypothesis 3.4	
4.2.4. Stepwise Regression Analysis of the Data	. 101
CHA DEED EINE CHAMAADY AND CONCLUSION	107
CHAPTER FIVE: SUMMARY AND CONCLUSION	
5.1. The association between Psychographic Characteristics and SRC	
5.2. The association between Demographic Characteristics and SRCB	106

5.3. The Association between Environmental A	ttitudes and SRCB108
5.4. Model results of the study	
CHAPTER SIX: RECOMMENDATIONS AN	D FURTHER RESEARCH
	111
6.1 Recommendations	
6.2 Further Research Areas	113
References	
Annexure 1	
Annexure 2	128
Annexure 3	

List of Tables

	Page
Table 3.1 Ethnic identification in Sri Jayewardenepura Kotte	32
Table 3.2 Preliminary factor analysis for ECCB	40
Table 3.3 Preliminary Rotated Component Matrix (a) for ECCBB	41
Table 3.4 Total Variance Explained for ECCB	41
Table 3.5 Component Matrix (a) for ECCB	42
Table 3.6 Preliminary factor analysis for SCCB	42
Table 3.7 Preliminary Rotated Component Matrix (a) for SCCB	43
Table 3.8 Total Variance Explained for SCCB	43
Table 3.9 Component Matrix (a) for SCCB	44
Table 3.10 Total Variance Explained for Perceived consumer effective	veness 44
Table 3.11 Component Matrix (a) for perceived consumer effectivened	ess 44
Table 3.12 Preliminary factor analysis for environmental concern	45
Table 3.13 Preliminary component Matrix (a) for environmental cond	ern 45
Table 3.14 Total Variance Explained-Environmental Concern	46
Table 3.15 Component Matrix (a) for Environmental Concern	46
Table 3.16 Preliminary Factor analysis for Liberalism	47
Table 3.17 preliminary Component Matrix (a) for liberalism	47
Table 3.18 Factor analysis for Liberalism	48
Table 3.19 Component Matrix (a) for liberalism	48
Table 3.20 Preliminary factor analysis for alienation	48
Table 3.21 Preliminary Rotated Component Matrix (a) for alienation	49
Table 3.22 Factor analysis for alienation	49

Table 3.23 Component Matrix (a) for alienation	50
Table 3.24 Factor analysis for Fashion	50
Table 3.25 Component Matrix for Fashion	51
Table 3.26 Factor analysis for AVENT	51
Table 3.27 Component Matrix for AVENT	52
Table 3.28 Factor analysis for Leader	52
Table 3.29 Component Matrix for Leader	52
Table 3.30 Factor analysis for knowledge	53
Table 3.31Component Matrix for Knowledge	53
Table 3.32 Factor analysis for ECOEV	53
Table 3.33 Component Matrix for ECOEV	54
Table 3.34 Preliminary factor analysis for ALISANA	54
Table 3.35 Preliminary Rotated Component Matrix for ALISANA	55
Table 3.36 Factor analysis for ALISANA	55
Table 3.37Component Matrix for ALISANA	56
Table 3.38 Factor analysis for SALUDEV	56
Table 3.39 Component Matrix for SALUDEV	57
Table 3.40 KMO and Bartlett's Test	57
Table 3.41 Reliability Statistics for ECCB	58
Table 3.42 Reliability Statistics for SCCB	58
Table 3.43 Reliability Statistics for Perceived consumer effectiveness	59
Table 3.44 Reliability Statistics for Environmental concern	59
Table 3.45 Reliability Statistics for Liberalism	60
Table 3.46 Reliability Statistics for Alienation	60

Table 4.18 Correlations of fashion consumers and SRCB	78
Table 4.19 Correlations of knowledge consumers and SRCB	79
Table 4.20 Correlations between leader and SRCB	80
Table 4.21 Correlations of ECOEV style and SRCB	81
Table 4.22 Correlations of Healthy diet consciousness and SRCB	82
Table 4.23 Correlations for Healthy lifestyle and SRCB	83
Table 4.24 One way ANOVA test for age and SRCB	85
Table 4.25 Multiple Comparisons for age groups	86
Table 4.26 Independent Samples Test for gender and SRCB	87
Table 4.27 Independent Samples Test for marital status and SRCB	89
Table 4.28 Independent Samples T- Test for education level and SRCB	90
Table 4.29 ANOVA test for employment category and SRCB	92
Table 4.30 Relationship between employment category and SRCB	94
Table 4.31 Correlations between environmental attitudes and SRCB	96
Table 4.32 Correlations between Perceived consumer effectiveness and SRC	CB 97
Table 4.33 Correlations between Environmental concern and SRCB	99
Table 4.34 Correlations between Liberalism SRCB	100
Table 4.35 Correlations between Alienation and SRCB	101
Table 4.36 ANOVA table for the model	102
Table 4.37 Stepwise Regression Results of the Study	102
Table 4.38 Model Summary of the Stepwise Regression Analysis	103

List of Figures

	Page
Figure 4.1 The relationship between age categories and SRCB	85
Figure 4.2 The relationship between educational level and SRCB	91
Figure 4.3 Relationship between employment category and SRCB	93
Figure 4.4 Relationship between income levels and SRCB	95

List of Annexures

	Page
Annexure 1: Questionnaire (English)	121
Annexure 2: Questionnaire (Sinhala)	128
Annexure 3: Eta Value Tables	134

List of Abbreviations

SRCB - Social Responsible Consumer Behavior

ECCB - Environmental Conscious Consumer Behavior

SCCB - Social Conscious Consumer Behavior

PCE - Perceived Consumer Effectiveness

EC - Environmental Concern

Acknowledgement

I will like to take this opportunity to thank all who helped me to complete this research endeavor.

My sincere thank to the supervisor Dr. B.N.F. Warnakulasooriya, for all the guidance, assistance and encouragement given in a parental manner.

A special word of gratitude to Mr. Duminda Kuruppuarachchi for the support given in analyzing the data of the study.

I also thank to my colleagues of the Department of Marketing Management, University of Sri Jayewardenepura for the numerous ways in which they helped to make my effort a success.

A special thanks to the academic and non academic members of Accounting Resource Centre, University of Sri Jayewardenepura, for their assistance.

I must not forget to express my gratitude to my mother and husband who have always stood by me in whatever I do.

I should also thank to the people in Kotte for the support given in collecting the data for this study.

To all the others, who helped me to finish this study.

Factors affecting socially responsible consumer behavior and their relative importance in Sri Jayewardenepura, Kotte electorate.

By

M.A.A.Malkanthie

ABSTRACT

Over the past three decades, the Social Responsible Consumer Behavior (SRCB) has increased in a progressive manner (Follows and Jobber, 2000). Despite evidence to suggest that society is increasingly sympathetic towards the environment (including society), many Environmental Friendly (EF) products have not achieved the expected level of market success (Wong et al., 1996). Therefore it is beneficial to marketers in Sri Lanka to identify the factors affecting in socially responsible behavior of consumers and their relative importance. The factors that were assumed to be related with the SRCB were psychographic characteristics, environmental attitudes, and demographic characteristics of consumers. Sampling unit was taken as the households in Kotte electorate area. The unit of analysis is individual level. The person who buys consumer goods to the household was taken as the unit of analysis for the study; but in some households there were more than one decision maker for purchasing. Therefore the person who buys the highest amount of consumer goods in those households was taken as the unit of analysis for the study. The total sample size was randomly chosen and fixed at two hundred; But KMO and Bartlett's test was conducted to know the sample adequacy.

SRCB and environmental attitudes were measured by using four dimensions; Perceived Consumer Effectiveness, Environmental Concern, Liberalism, and Alienation. These dimensions were measured using scales developed by Roberts, (1995), and psychographic characteristics were measured by using two dimensions; Values and Lifestyle. Values were measured using the scales used by Fraj and Martinez, (2006) and Lifestyles were measured using the scale developed by Sanchez et al., (1998) quoted by Fraj and Martinez, (2006). Gender, age, marital status, education, occupation, and income were used to measure the demographic characteristics of consumers. A questionnaire was adopted for data collection. However, the validity and the reliability of the measurement scales were tested. The association between environmental attitudes and psychographic characteristics with SRCB was tested by using Pearson correlation. To test the relationship between demographic characteristics with SRCB, Independent sample T-Test and One way ANOVA test was conducted. The results disclosed that environmental attitudes have the highest association with SRCB (especially, Perceived consumer effectiveness and Environmental Concern shows strong correlation with SRCB and also Alienation shows positive but not strong association with SRCB). Psychographic characteristics also have a significant but not strong relationship with SRCB (especially, there is a positive relationship between knowledge consumers, ECOEV consumers, Alisana Consumers, SALUDEV consumers and SRCB) while some of the demographic characteristics show a significant relationship with SRCB. Especially, SRCB vary with age, marital status, education level, and income.