

LAPPEENRANTA UNIVERSITY OF TECHNOLOGY

School of Business and Management

Master's Programme in International Marketing Management (MIMM)

MASTER'S THESIS

Consumer perceptions of green marketing of cosmetic products in Finland

1st Supervisor: Professor Asta Salmi

2nd Supervisor: Associate Professor Jari Varis

Johanna Kirssi 2017

ABSTRACT

Author:	Johanna Kirssi
Title:	Consumer perceptions of green marketing of cosmetic products in Finland
Faculty:	School of Business and Management
Master's Programme:	International Marketing Management (MIMM)
Year:	2017
Master's Thesis:	Lappeenranta University of Technology 96 pages, 11 figures, 14 tables and 6 appendices
Examiners:	Professor Asta Salmi Associate Professor Jari Varis
Keywords:	Green cosmetics, green marketing, consumer behavior, green consumer

The purpose of this study is to develop understanding of how consumers perceive green marketing of cosmetic products in Finland. More precisely, the aim is to explore which are the most important marketing mix elements and what is the role of marketing credibility for consumers. Theoretical elaborations consider the relationships of green marketing, environmental consumer behavior, consumer perception and consumer involvement. Empirical analysis was based on a cross-sectional quantitative study with a sample of 325 consumers. The data was collected through an online questionnaire distributed to the respondents during a one week period in August 2017.

The results indicated that there is a relationship between consumer perception of marketing elements and consumer values. Consumer values were divided into functional, social and emotional values which were found to be associated with different marketing elements. Respondents were categorized into five segments based on their responses. Perceptions of green marketing elements varied among the discovered segments. Furthermore, consumers were found to have a neutral perception towards the credibility of green marketing of cosmetic products. A positive relationship between consumers preference of eco-brands and perception of marketing credibility was discovered. These findings can help marketers in creating green marketing strategies for cosmetic products.

TIIVISTELMÄ

Tekijä:	Johanna Kirssi
Tutkielman nimi:	Kuluttajien näkemyksiä kosmetiikkatuotteiden vihreästä markkinoinnista Suomessa
Tiedekunta:	Kauppätieteiden tiedekunta
Pääaine:	Kansainvälinen markkinointi
Vuosi:	2017
Pro gradu -tutkielma:	Lappeenrannan teknillinen yliopisto 96 sivua, 11 kuviota, 14 taulukkoa ja 6 liitettä
Tarkastajat:	Professori Asta Salmi Tutkijaopettaja Jari Varis
Hakusanat:	Luonnonkosmetiikka, vihreä markkinointi, kuluttajakäyttäytyminen, vihreä kuluttaja

Tämän tutkimuksen tarkoituksena on syventää ymmärtämystä kuluttajien näkemyksistä kosmetiikkatuotteiden vihreästä markkinoinnista Suomessa. Tarkemmin sanottuna, tavoitteena on selvittää mitkä ovat tärkeimmät markkinointimixin osa-alueet ja mikä on markkinoinnin luotettavuuden rooli kuluttajille. Teoriaosuus käsittelee vihreää markkinointia yhdessä ympäristöystävällisen kuluttajakäyttäytymisen, kuluttajien näkemyksien ja sitoutumisen kanssa. Empiirinen osuus toteutettiin kvantitatiivisena poikittaistutkimuksena, jonka otoskoko oli 325 vastaajaa. Aineisto kerättiin verkkokyselynä yhden viikon aikana elokuussa 2017.

Tulokset osoittivat, että kuluttajien näkemysten markkinoinnista ja kuluttajien arvojen välillä on yhteys. Kuluttajien arvot jaettiin funktionaalisiin, sosiaalisiin ja tunnearvoihin, joiden huomattiin olevan yhteydessä markkinoinnin eri osa-alueisiin. Vastaajat jaettiin viiteen segmenttiin vastauksien perusteella ja huomattiin, että segmenttien näkemyksien välillä markkinoinnista on eroja. Lisäksi selvisi, että kuluttajat suhtautuvat neutraalisti kosmetiikkatuotteiden vihreän markkinoinnin luotettavuuteen. Tulokset osoittivat myös positiivisen yhteyden ekologisten brändien suosimisen ja markkinoinnin luotettavuuden välillä. Näitä tuloksia voidaan käyttää apuna kosmetiikkatuotteiden vihreän markkinointistrategian suunnittelussa.

ACKNOWLEDGEMENTS

Writing this thesis was a challenging but rewarding process which could not have been accomplished without all the people supporting me throughout the journey. Firstly, I would like to thank my supervisor Jari Varis for all the guidance and new perspectives he has given for my thesis. I appreciate the advices and constructive feedback, which helped me carry the work forward.

I would also like to express my gratitude to all the respondents who took the time to participate in this research. Without their valuable contribution, I would not have been able to complete this research.

Last but definitely not the least, I want to thank my family and friends for all the support they have given me not just during the thesis process but throughout my studies at LUT. I am especially grateful to my wonderful parents who are always there to encourage and support me in pursuing my goals. Special thanks go also to the Science Club – my dear friends Linh and Elina who were an invaluable support in finishing this project. Without them it would have been a lot harder to motivate myself during the long days at the library.

Finishing my Master's studies marks an end of a chapter but also another dream achieved. I am forever thankful for all the amazing experiences LUT offered me and for the people I met during my studies.

On to the next adventures.

In Helsinki, 15th of November 2017

Johanna Kirssi

TABLE OF CONTENTS

1	INTRODUCTION	9
1.1	Research problems and objectives	11
1.2	Literature review	12
1.3	Theoretical framework	14
1.4	Definitions of the key concepts.....	15
1.5	Delimitations	16
1.6	Research methodology	17
1.7	Structure of the research.....	18
2	GREEN MARKETING	20
2.1	Definition and objectives of green marketing.....	20
2.2	Marketing mix in green marketing.....	23
2.2.1	Product	23
2.2.2	Price	25
2.2.3	Place.....	26
2.2.4	Promotion.....	27
2.3	Green marketing credibility	30
3	CONSUMER PERSPECTIVE TO GREEN MARKETING.....	32
3.1	Environmental consumer behavior	32
3.2	Consumer involvement	37
3.3	Consumer perception and perceived value	41
3.4	Green consumer segmentation	46
3.5	Summary of hypotheses	49
4	RESEARCH METHODOLOGY	50
4.1	Research philosophy and approach	50
4.2	Research strategy and methods	52

4.3	Sample and data collection procedure.....	53
4.4	Questionnaire design – measure development.....	53
4.4.1	Demographic.....	54
4.4.2	Marketing elements.....	54
4.4.3	Involvement	55
4.4.4	Perceived value	55
4.4.5	Measurement items	56
4.5	Data analysis methods.....	58
5	FINDINGS.....	60
5.1	Descriptive statistics.....	60
5.2	Factor analysis.....	66
5.3	Hypothesis testing	67
5.4	Summary of the research results	72
6	DISCUSSION AND CONCLUSIONS	73
6.1	Theoretical contributions	73
6.2	Reliability and validity	82
6.3	Managerial implications.....	83
6.4	Limitations and future research.....	85
	REFERENCES	87
	APPENDICES	97

APPENDICES

Appendix 1. Questionnaire

Appendix 2. Normal distributions of variables

Appendix 3. Results of the K-means cluster analysis

Appendix 4. Pattern for Constructs

Appendix 5. Normal distributions of factors

Appendix 6. Results of the one sample t-test

LIST OF TABLES

Table 1. The New Green Marketing Paradigm.....	22
Table 2. Green consumer motives and buying strategies	33
Table 3. Marketing characteristics and marketing mix considerations for high and low levels of product commitment	40
Table 4. Summary of Hypotheses.....	49
Table 5. Measurement Items.....	56
Table 6. Reliability of Constructs.....	67
Table 7. Spearman’s correlation of marketing credibility and preferring products with eco-labels	68
Table 8. Spearman’s correlation of marketing credibility and preferring eco-brands.....	68
Table 9. Spearman’s correlation coefficients of perceived product availability and product involvement	69
Table 10. Spearman’s correlation coefficients of marketing elements and consumer values	70
Table 11. Test statistics of Kruskal-Wallis test.....	71
Table 12. Summary of the results.....	72
Table 13. Summary of the key findings.....	81

LIST OF FIGURES

Figure 1. Theoretical framework.....	15
Figure 2. Structure of the thesis.....	18
Figure 3. Factors influencing consumer behavior	34
Figure 4. Components of Involvement	39
Figure 5. The five values influencing consumer choice	44
Figure 6. Segmentation models	46
Figure 7. Research design of the study.....	50
Figure 8. Age of respondents.....	60
Figure 9. Educational level of respondents.....	61
Figure 10. Income level of respondents.....	62
Figure 11. Consumers’ Green Segmentation.....	63

ABBREVIATIONS

4Ps	Marketing mix (product, price, place, promotion)
7Ps	Service marketing mix (4Ps + physical evidence, process, people)
AMA	American Marketing Association
CSR	Corporate Social Responsibility
LOHAS	Lifestyles of Health and Sustainability
NMI	Natural Marketing Institute
UNEP	United Nations Environment Programme

1 INTRODUCTION

During the past few decades, there has been an increasing concern and interest toward environmental issues both from the consumers and corporations. Climate change, running out of natural resources and increased pollution are trending topics today and business environment. Consumers' attitude and behavior towards environmental products has changed positively and they are more inclined to prefer environmentally friendly products and services. In fact, consumers are buying more "environmentally-friendly" and "green" products nowadays than ever before. (Rahbar & Wahid 2011, 73; Bleda & Valente 2009, 512; Finisterra do Paço, Barata Raposo & Filho 2009, 17)

Several new concepts and theories have been developed in order to exemplify the environmental activities of companies and to appeal to the consumers' new perceptions. From the marketing point of view, one of the most interesting concepts is green marketing, which started to gain popularity especially in the 1990s. (Saxena 2015, 110) As companies recognized the new consumer interest towards environmental and social issues, they started to focus on creating marketing strategies which would respond to the consumer concern for environment and society while still maximizing profits. Since then, green issues have been adapted as an important part of companies marketing strategies. (Polonsky 1994, 1; Finisterra do Paço et al. 2009, 18) Moreover, changes in consumer attitudes and behavior has encouraged companies to invest in greening their operations in a larger scale as well and committing to eco-friendly modes of operations. Since competition in many industries is fierce to begin with, differentiating with green aspects can bring companies the needed competitive edge. Investing in green marketing is expected to bring companies additional value and increase the consumer's perceptions of these companies and marketed products. (Ginsberg & Bloom 2004, 80-81; Chen & Chang 2013, 489).

Nevertheless, increase in the adaptation of green business models has also faced some drawbacks. Rapidly growing consumer concern regarding environmental issues in the 1990s resulted in many companies adapting a "green selling" approach by simply adjusting their marketing campaigns and identifying green features on already existing products. However, consumers found many green products were not able to meet the high expectations.

Consequently, consumers became more cynical about the green claims of products. This change in perceptions forced companies to change their green marketing approaches and focus on providing more accurate and valid green information about the products. (Peattie & Crane 2005, 359-361) Even if consumers are concerned about the issues they may still not be inclined in green behavior if they have a poor perception of green products and green communication (Johnstone & Tan 2015, 321).

In the cosmetic industry, natural and organic ingredients have been used throughout times but since the consumers were not generally well-aware of the environmental issues, using these natural resources in cosmetic industry was not important. The industry is essentially dealing with constantly evolving beauty routines, techniques and practices, which are influenced by the global trends. Hence, global growth in environmental awareness has been reflected in the cosmetic industry as well. Nowadays consumers value products that are not harmful the environment, health or animals. Moreover, consumers are looking for products that support fair trade. Thus, companies are forced to invest in adapting green marketing strategies, as the issue is emerging also in the cosmetic industry. (Jean-Vasile & Nicolò 2017, 205-209)

The cosmetic industry was selected as the context for this thesis because of the writer's own interests and the recent industry trends in Finland. According to the most recent statistics by Finnish Cosmetic, Toiletry and Detergent Association (Teknokemian Yhdistys Ry 2017), there can be seen a slight positive trend in the industry as the sales in personal care and color cosmetic categories increased by 1.5% in 2015. Hair care products form the biggest individual product category sold in Finland, as they account for 30% of the total sales. The smallest category is fragrances comprising only 4% of sales in 2015. The total sales of cosmetics and toiletries in 2015 was €411 million. This is a very positive trend even though the total sales of cosmetic products in Finland decreased by 3 percentage in 2015 (Teknokemian Yhdistys Ry 2017) Moreover, interest particularly towards green cosmetic product segment has increased. Green cosmetic industry is growing globally but especially in Europe where the market value is estimated to reach 18 billion euros by the end of year 2018. In 2016 there was 75 Finnish companies focused on the health and natural cosmetic business. (Ristioja 2017, 16; 52) A substantial amount of research has been conducted both in regards of green marketing and consumer behavior across several product categories (e.g.

Carrete et al. 2012; Chen 2007; Juwaheer et al. 2012; Rahbar & Wahid 2011). However, studies regarding the Finnish markets and especially cosmetic products are very limited. The purpose of this research is to study the perceived value green marketing activities of cosmetic products can create to consumers in Finland.

1.1 Research problems and objectives

This thesis studies the factors affecting consumer perception towards green marketing activities of cosmetic products. The consumers' perception regarding green cosmetic products is evaluated under the four marketing mix elements (product, price, place and promotion) and marketing credibility that lead towards the motivation to consumption of these products. In other words, the aim is to develop deeper understanding of what are the most important marketing aspects that shape the consumer behavior and that the consumers of green cosmetic products value the most. Furthermore, the consumers' perception of product involvement is also studied in order to gain more insight on what aspects of the specific product category are important to consumers and how this could be used as an advantage in marketing.

Based on the literature review, the research question and sub questions were formed and are presented below. As the aim of the study is to explore the relationships between marketing and consumer perception, the primary research question is also formed around these issues.

Main research question:

- What are the characteristics of consumer perception of green marketing of cosmetic products among consumers in Finland?

Four sub questions were formed to support the main research question and developing deeper insight of the topic.

Sub questions:

1. Which marketing elements are the most important to consumers of green cosmetic products in creation of perceived value?

2. What is the nature of consumers' perception of the credibility of green marketing activities of cosmetic products?
3. What is the relationships between green marketing and consumer values?
4. What is the nature of product involvement within the green cosmetics product category?

1.2 Literature review

One of the first publications in the field of green marketing was “Ecological Marketing” by Henion & Kinnear published in 1975. (Polonsky, 1994, 2). However, the issue was not brought to the general public before 1987 when the Brundtland Report “Our Common Future” was published (Peattie & Charter, 1999, 593). Since then, there has been several notable publications discussing the issues related to green marketing (for example Polonsky, 1994; Kotler, 2011).

When talking about green marketing it is important to distinct the concept from conventional marketing as well as from corporate social responsibility (CSR). There is some perplexity with respect to the term green marketing, as researchers approach the issue from their own viewpoints (for example Peattie 1995; American Marketing Association 2017; Peattie & Charter 1999, 593). Furthermore, Ottman (2011, 44-46) has provided a more contemporary view on green marketing with a Green Marketing Paradigm pointing out the differences between conventional and green marketing. Vaaland, Heide & Grønhaug (2008) have researched the theory of CSR in the marketing context.

Several concepts have been developed around the green marketing strategies. Grant (2008, 59) has researched how to combine green marketing and the company's strategy efficiently. In his study, he names three different types of green marketing objectives and possible marketing strategies based on those objectives. Another more narrowed and organized set of marketing strategies is presented by Thomas & Pacheo (2014). This theory is based on understanding the value green products can bring to customers and adopting the customers as a part of the value proposition of a company. In addition, Ginsberg & Bloom (2004) have created the Green Marketing Strategy Mix, which describes the four possible strategies companies can choose for their green marketing operations. This model is based on the

competition and company's positioning on the market and it is directly linked to the marketing mix of the company. Moreover, the researchers have explored the relationship between customers' attitudes and environmental strategies in relation to a company's marketing strategy. It is generally perceived that the traditional 4P's of marketing mix apply also to green marketing. (Peattie & Charter, 1999, 610-614; Timothy & Yazdanifard, 2014; Rex & Baumann, 2007).

Another topic generated around the green marketing strategies is the concept of green consumers and green consumer segments. Several methods for segmenting the green consumers has been suggested (e.g. Roper ASW 2002; Finisterra do Paço et al. 2009; NMI 2008; Peattie 2001) but the researches have not been able to agree on a universally accepted method. Green consumers have been segmented for instance based on demographic, cultural and psychological factors, depending on the researcher's approach to the topic. Moreover, it is stated that in order to understand the green consumer one should understand the consumer behavior and purchases (Peattie & Charter 1999, 602-603; Finisterra do Paço et al. 2009) Purchasing decision making is often described as a process consisting of several stages covering the whole purchase from problem recognition to post-purchase evaluation (Armstrong & Kotler 2009, 177-178; Schiffman, Kanuk & Hånsen 2012, 69)

Furthermore, level of involvement has also been of interest to the marketing researchers. Consumer involvement has been studied from the perspectives of intensity and nature of involvement and it is perceived to have an impact on consumer purchasing behavior. (Zaichkowsky 1985, 342; Solomon, Bamossy, Askegaard & Hogg 2016, 208; Warrington & Shim 2000, 763) Products can be divided into high- and low-involvement product groups based on the level of consumer involvement related to them. (Warrington & Shim 2000, 778)

Lastly, the concept of consumer perception has been widely discussed in the previous literature as its impact on consumer behavior. Consumers evaluate marketing inputs for instance according to their own motives, desires and interest, which ultimately determines their perception towards a product. (Schiffman et al. 2012, 166; Solomon et al. 2016, 210) The concept has been discussed from viewpoints offering differentiating perspectives of what are the main values affecting consumer decision making. Holbrook (1994) argues that values are interactive, relativistic and based on judgement. Consumer choices are influenced

by functional, conditional, social, emotional and epistemic values (Sheth, Newman & Gross 1991, 161-163; Green & Peloza 2011, 50).

1.3 Theoretical framework

The essential concepts in this thesis are green marketing, green consumerism, involvement and consumer perception. These concepts will be defined and described further in the following chapters and are used as a basis for the empirical research.

Kotler & Armstrong (2010) state that marketing mix can enable a company to achieve its marketing objectives by delivering value for the customer. Moreover, previous research on the topic has shown that marketing mix elements have a significant role in affecting the consumers' evaluation of the product or service available and thus shapes their perception, attitudes and behavior related to it. (Schiffman et al. 2012, 69; Suvattanadilok 2014) Likewise, Lai (1995, 385) argues that perceived product, logistic and cost benefits affect consumers' evaluation of products and result in perceived customer value. The conceptual framework of this thesis also focuses on examining the relationship between marketing strategy and consumer perception. Since credibility of marketing is also an important factor affecting customers' perception of green marketing activities, it is also included in the research (Ottman, Stafford & Hartman 2006, 31; Shrum, McCarthy & Lowrey 1995, 81). Moreover, according to previous studies (e.g. Martin & Goodell 1991; Kapferer & Laurent 1986; Solomon et al. 2016), understanding the involving nature of the product category can provide companies valuable information that can be used as a basis to create a successful marketing strategy. Hence, the previous models are modified by adding credibility and involvement as well in the framework in this thesis. The theoretical framework is presented in figure 1. This framework also presents the proposed hypotheses H1-H6, which are further discussed in the following chapters.

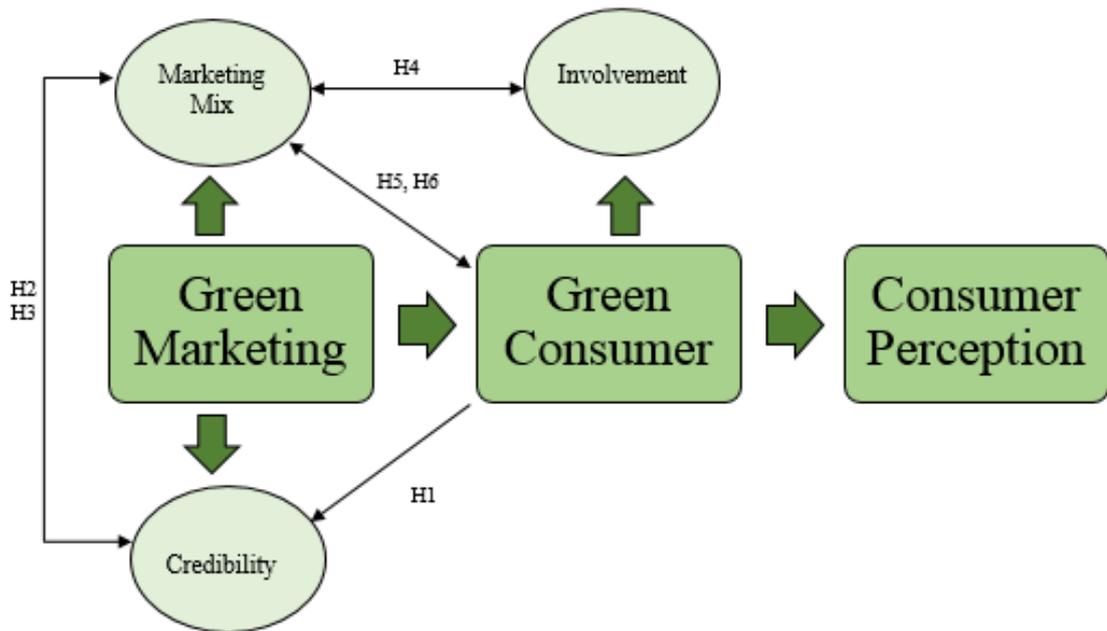


Figure 1. Theoretical framework.

1.4 Definitions of the key concepts

Green cosmetics products can be defined as cosmetic products that are produced from vegetable and organic raw materials without using any endangered plants or genetically modified raw materials. Moreover, sourcing mineral-rich ingredients used in the products must not harm the landscape nor pollute the environment. The end product must be as biodegradable as possible and only ecological packaging materials should be used. There should be no harm caused to animals or environment at any stage of the production process. (Pro luonnonkosmetiikka Ry 2016)

Green marketing refers to a management process in which the consumers' needs are identified, anticipated and satisfied in a profitable and sustainable way. Products and services are designed and marketed to minimize the negative environmental and social impacts. (American Marketing Association 2017a; Peattie & Charter 1999, 53)

Marketing Mix is a set of marketing tools companies can adapt in order to differentiate their offerings from those of competitors'. According to the traditional model, there are four

different marketing mix elements: product, price, place and promotion. (Ginsberg & Bloom 2004, 82)

Marketing credibility can be defined as a set of perceptions one has towards a source. It is comprised of impressions about the power, prestige, attractiveness, expertise, trustworthiness, intentions and age of the source. (Newell & Goldsmith 2001, 236)

Green consumer is a consumer who takes into consideration both environmental and social aspects of production and consumption of goods and services (Wagner 2003, 1).

Consumer behavior refers to the entire process of purchasing, use and dispose of products or services. Motivation, goals, wants and needs are driving the consumer behavior and decision-making process. (Solomon 2011, 33-35)

Consumer perception is a process through which consumers select, organize and interpret information into a meaningful and consistent entity. Perceived value is the overall valuation of the utility of a product or service based on the perceptions compared to the sacrifice made. (Zeithaml 1988, 14; Ravald & Grönroos 1996, 22; Pelozo, & Shang 2010, 119).

Involvement refers to the importance and meaning of an object to a person. It is based on one's personal inherent needs, values and interests. (Zaichkowsky 1985, 342)

1.5 Delimitations

The research is limited to study the perceptions of consumers in Finland. Even though there was no limitation for the nationalities of the respondents, the questionnaire was distributed in Finnish speaking groups which might pose limitations to the ethnical backgrounds of the respondents. Thus, it could be worth confirming the results with a more international sample. This would also allow comparisons between people from different countries to see whether there are differences.

Cosmetics Europe (2017), the European trade association for the cosmetic and personal care industry, categorizes cosmetic products in seven categories: skin care, body care, perfume,

decorative cosmetics, hair care and sun care. These categories are further divided into numerous subcategories. However, in this thesis, all the different categories will be considered and further referred to with the general term cosmetics. Hence, it may lead to some limitations in applying the results just to a specific product category, for instance shampoo.

The study focuses merely exploring the relationships between marketing elements, consumer involvement and consumer perception. Demographic variables, specifically age, gender, education and income, are used together with value constructs to segment the consumers. However, other aspects of consumer behavior such as purchase intention and satisfaction are not considered in this thesis. These topics are quite frequently studied in the previous literature, to study whether there is a gap between consumers' claimed values and actual purchase behavior (e.g. Johnstone & Tan 2015; Chen 2007). Moreover, as the research focuses on tangible products the marketing mix concept is limited to the traditional 4Ps view, instead of the 7Ps which are usually related to services (Solomon, Hughes, Chitty, Marshall & Stuart 2013, 291). Hence, these concepts have been excluded from the scope of this thesis.

1.6 Research methodology

Theoretical part of this thesis is conducted based on previous literature about green marketing and consumer behavior. There has been a lot of research around the topics during the past decades, which are mostly published as scientific articles. Hence, the main sources used in this paper are also scientific articles but various books (both printed and e-books) are used as well.

The empirical part of the research explores the topic by using both deductive approach and quantitative cross-sectional method. Based on the nature of the data required for the research, a quantitative approach was adapted. Quantitative research is based on exploiting a theory conducted of variables with numerical measurements. Thus, data collection results in numerical and standardized data which can be analyzed with statistical procedures. The analysis can be conducted using diagrams and statistics and its purpose is to find out whether the predictive generalizations of the theory are accurate. (Creswell 1994, 2; Saunders, Lewis & Thornhill 2009, 144; 482)

Since the topic of the research is dealing with consumer perception of green marketing strategies and the perceived value created by them, the data will be collected through a survey. Data collected from surveys can be used for explaining the relationships between variables and creating models of them. Moreover, this type of data is standardized which makes comparisons easier. (Saunders et al. 2009, 144; 482) The survey was conducted through an online questionnaire during August 2017 and respondents were offered the opportunity to answer either in Finnish or English. Otherwise the questionnaires in both languages were identical and all respondents were provided the same answer sheet.

1.7 Structure of the research

This study is consisted of theoretical and empirical parts which can be further divided into four sections: introduction, theoretical part, empirical part and conclusions. Structure of the research is illustrated in figure 2.



Figure 2. Structure of the thesis.

The study begins with introduction, which presents the background of the study as well as research objectives and problems. Furthermore, the first part also includes literature review, theoretical framework, definitions of key concepts, delimitations and introduction to the research methodology.

The theoretical part has been divided into chapters 2 and 3. Chapter two discusses the definition and objectives of green marketing whereas chapter three is focused on different aspects of green consumerism and consumer behavior. All relevant concepts will be introduced in these chapters and they are based on existing literature and theories.

The third, empirical part, presents the research strategy and results of the empirical quantitative study executed. This part puts into practice the theories and concepts discussed in the chapters 2 and 3. The performed study is focused on the consumers' perceptions of green marketing activities. Chapter 4 introduces the research strategy and methods together with the data collection and analysis. Furthermore, reliability and validity of the research are also discussed in the chapter. Chapter 5 presents the research findings and results of the statistical analysis.

Lastly, conclusions and managerial implications of the results are provided in chapter 6. This part also concludes discussion of the results and compares them to the findings of the theoretical part as well as answers to the research questions. In addition, subjects for possible further research are presented.

2 GREEN MARKETING

This chapter discusses the concept of green marketing. Firstly, definition of the concept and its objectives are provided. Thereafter, elements of marketing mix as well as the role of credibility in the green context are discussed.

2.1 Definition and objectives of green marketing

As researchers tend to approach the issue of green marketing from their own perspectives, there is some perplexity to the term green marketing. Peattie and Charter (1999, 53) define green marketing as the “holistic management process responsible for identifying, anticipating and satisfying the need of consumers and society, in a profitable and sustainable way.” They also state that green marketing is embracing the societies’ growing concern about the natural environment. Similar definition is provided by Polonsky (1994, 2), who states that the aim of green marketing is to satisfy the human needs with as little harmful impact on the natural environment as possible while still striving to achieve financial targets. Moreover, Hollensen (2010, 625) defines that green marketing is marketing of ecologically friendly products and promoting activities with positive effect on the physical environment. United Nations Environment Programme (UNEP 2005, 10) states that originally green marketing refers to products and services with environmental improvements at every stage and aspect of their life-cycles. However, nowadays even products which have undergone environmental improvements at just some stage of their life-cycle are marketed as green.

American Marketing Association (AMA) however provides several different outlooks for defining the concept: retailing, social marketing and environments perspectives. Firstly, according to the retailing definition, green marketing is referring to the marketing of environmentally safe products. Secondly, when looking at the issue from social marketing point of view, it can be said that green marketing means development and marketing of products that are designed to improve quality of the environment or at least diminish the harmful impacts on it. Lastly, the environments definition states that green marketing refers to a company’s efforts to produce, promote, package and reclaim products which are sensitive to the environmental concerns. (AMA 2017a)

It is important to differentiate the term green marketing from conventional marketing. The first definition of conventional marketing was provided by AMA already in 1935 but because of a shift in perspectives, the definition has been changed several times since. Nowadays AMA defines marketing as “the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.” (AMA 2017b) This new definition is customer-centric and puts emphasis on the value marketing should bring to customers. Kotler and Armstrong (2010, 26) describe marketing as actions of managing profitable customer relationships with the aim of creating value for the customers as well as capturing it from them.

According to Grant (2008, 59), the reasons and objectives behind a company’s engagement to green marketing can be divided to three segments: green, greener and greenest objectives. In addition to the objectives, these segments are distinguished by the way one measures the success of the marketing actions. Firstly, green objectives are those that are aimed at setting new standards regarding responsible products, policies and processes. Secondly, greener objectives are set for sharing the responsibility of sustainability with the consumers. The last group of objectives, greenest, is aimed for supporting new green innovations which can create new habits, services and even business models. Moreover, Grant (2008, 59) suggests that marketers can implement green marketing either in personal, social or public levels. In personal level, the marketing actions are related to the products and their benefits for individuals whereas the social level includes the brand meanings for communities. When operating in the public level the company can be used as a credible source of information and even a cultural leader.

Furthermore, a more contemporary view of green marketing points out the differences between conventional and green marketing. The differences are presented in table 1. It is suggested that companies should consider their customers, employees and all other stakeholders when implementing green marketing. Especially the way these different stakeholder groups interact with the nature should be considered. In addition, it is stated that the consumer’s previous experiences of environment-related problems should be considered in marketing activities. (Ottman 2011, 44-46) In conventional marketing, companies often extend their markets by creating and communicating new product features that will attract potential consumers. These consumers are usually resistant or non-users of the product.

However, the green consumer already knows what he or she wants and thus cannot be attracted with the conventional marketing approaches. (Rex & Baumann 2007, 569) Furthermore, products should be designed to adapt a cradle-to-cradle approach, which means that they have circular life-cycles and all materials are reused once the original product has reached the end of its useful life. Companies focus should shift to contributing to the consumers, society and environment instead of profit creation and increasing the financial bottom line. (Ottman 2011, 44-46; Polonsky 2011, 1314).

Table 1. The New Green Marketing Paradigm (Ottman 2011, 46).

	Conventional Marketing	Green Marketing
Consumers	- Consumers with lifestyles	- People with lives
Products	- “Cradle to grave” - Products - Global resources - One size fits all	- “Cradle to cradle” - Services - Local resources - Regionally tailored
Marketing & Communications	- Product end-benefits - Selling - One-way communication - Paid advertising	- Values - Educating and empowering - Creating community - Word of mouth
Corporations	- Secretive - Reactive - Independent & autonomous - Competitive - Departmentalized - Short term-oriented/profit-maximizing	- Transparent - Proactive - Interdependent, allied with stakeholders - Cooperative - Holistic - Long term-oriented/triple bottom line

Moreover, the concept of green marketing should be differentiated from the concept of corporate social responsibility (CSR). According to Vaaland et al. (2008, 931), CSR is defined as “management of stakeholder concern for responsible and irresponsible acts related to environmental, ethical and social phenomena in a way that creates corporate benefit.” Hollensen’s (2010, 624) definition of CSR states that it refers to companies’ commitment to act ethically and contribute to global economic development while increasing the quality of life of the employees, local community and international society. In other words, CSR is more company centered approach to green issues whereas green marketing is more market oriented approach. However, as with the definition of green

marketing, the dimensions of CSR can vary among scholars and they have not been able to agree on one single definition of what CSR marketing is. Legitimacy of CSR presents another challenge when applying the concept in marketing as it is stated that companies should not be the ones taking care of the wellbeing of a society but it is the governments' job. (Vaaland et al. 2008, 930)

2.2 Marketing mix in green marketing

In order to differentiate from the competitor, companies can adapt the traditional 4P marketing mix to promote their products or services. According to the 4P model, the elements of marketing mix are: product, price, place and promotion. The way how product, price, place and promotion decisions are utilized in each strategy shows how the company is positioned in the market. Usually companies choose some areas of focus such as cheap prices or convenient location instead of trying to dominate with every marketing mix element. (Ginsberg & Bloom 2004, 82; Bergström & Leppänen 2007, 85) The way the marketing mix is reflecting green values depends on the company, its product portfolio, markets and specific circumstances. Thus, adapting marketing mix elements correctly can affect consumer behavior and enhance the consumers' willingness to purchase products. (Charter, Peattie, Ottman & Polonsky 2002, 20). Next, each marketing mix element and their adaptations in the contexts of green marketing and cosmetic industry are presented.

2.2.1 Product

The products and services a company is offering naturally play a significant role in creating customer satisfaction. Hence, decisions regarding product and services are the first decisions managers should make when adapting a marketing mix. Products can be defined as objects of exchange process in which a supplier offers a customer something that will create the customer added value in exchange for money. (Hollensen 2010) Products are either tangible or intangible whereas services are always intangible (Lovelock & Wirtz 2011, 32). When going green, a company must adapt its offerings according to the customer attitudes and tougher legislation. In addition, sometimes it is not enough that companies change only their own way of operating but they also need to cooperate with several stakeholders to change the consumption system. (Charter et al. 2002, 20)

According to Peattie (1995), green product attributes can be divided into two categories. First category includes those attributes that are directly related to the tangible product itself whereas the second category is comprised of attributes linked to the production processes and the producers. A combination of these two categories forms the total product concept. Products are comprised of attributes such as appearance, quality and materials. These are also the factors consumers evaluate prior to the purchase decision. For green products, the ingredients used are an important product attribute. Green cosmetic products should not include for instance raw materials that are derived from endangered flora. Raw materials derived from animals should only be used when it does not cause any harm to the animals. In other words, the raw materials should be extracted in sustainable and environmentally friendly conditions. Moreover, green products should not be tested on animals. (Fonseca-Santos, Corrêa & Chorilli 2015, 18) Product attributes such as color and smell should be considered, as consumers relate personally to these features (Khraim 2011).

As Peattie & Charter (1999, 611) state, developing totally green products can be very challenging, since it requires one to increase the eco-performance but still create functionality with reasonable price. In addition, Charter et al. (2002, 20) suggest that sustainable products should be designed to satisfy a genuine need and be greener than conventional products through their whole life-cycle. Nowadays eco-performance is a feature that managers should understand and try to manage even if the company is not adapting a green strategy.

Moreover, packaging is an important part of a green product. The package materials as well as the appearance of the package determine the credibility and attractiveness of its greenness. Thus, they have a significant impact on consumer's purchasing decision. Packaging plays a significant role in the cosmetic industry as well, since environmentally aware cosmetic users tend to prefer cosmetic products with biodegradable, recyclable or returnable packages. Moreover, as little materials as possible should be used. (Fonseca-Santos et al. 2015, 18) Under-packaging products and using recyclable materials and containers are some examples of solutions companies are using to solve the waste disposal problems of products. There are four strategies, known as the 4R strategies, that companies generally use for greening their packaging: reduce, recycle, reuse and redesign. Integrating these strategies with marketing programs can have a positive effect in the product performance as they may stimulate sales

and reposition of the product. Greenness of a product is emphasized at the end of its life-cycle and thus these principals in the product concept is recommended (Kassaye 2001, 452; Peattie & Charter 1999, 611)

2.2.2 Price

Even though a company can generate revenues by its pricing decisions, managers should still bear in mind that the goal of marketing is to create value both for the seller and the customer. Thus, pricing should be done in a fair manner to reflect the true value produced and received. (Hollensen 2010, 432-433) Price of a product can be determined by the market but also by the resource interaction. As pricing is tightly connected to other marketing mix elements, it should be integrated with them. By changing the means in which the product is combined with other resources gives companies the opportunity to increase its value. Thus, both directly and indirectly connected business actors can affect pricing decisions. Green pricing can be reached by linking a proportion of the price to environmental or social causes, partnership pricing, demarketing, green tariffs or alternative pricing. (Håkansson & Waluszewski 2005, 114; Charter et al. 2002, 24)

In the green cosmetic market, corporate social responsibility and environmental standards are significant differentiating factors influencing consumers' choice of cosmetic products (Pudaruth, Juwaheer & Seewoo 2015, 188). However, being green often imposes bigger financial strain for a company than not focusing on environmental issues does. Especially if the company has not originally operated according to the eco-friendly standards but decides to go green, there are numerous issues, such as developing new material sources and complying with the legislation, that impose larger costs for the company. However, these costs might be counterbalanced with for example decreased energy inputs and new customer segments. (Peattie & Charter 1999, 614) Conventionally, it has been seen that not all environmental and social costs are included in the market structures but they are perceived more as externalities. Thus, they are not reflected in the purchasing price of products. However, due to legislations and stakeholder pressure companies are held more responsible for these external costs, for instance emission, and there is a price attached to them. Consequently, the costs of business and non-green products are increasing, which may motivate consumers to choose greener options. (Charter et al. 2002, 23)

Consumers are usually willing to pay a higher price for greener products. This is true also in the cosmetic market, where consumers are willing to pay more for an organic product than for conventional cosmetics. (Fonseca-Santos et al. 2015, 18; Pudaruth et al. 2015, 188) Nevertheless, companies should not automatically expect price premiums for green products, as consumers' willingness to pay more is determined by their judgements of price fairness. Consumers consider higher prices as a monetary sacrifice but the degree of the sacrifice is determined on one's perception of fairness. If consumers consider that the value gained from supporting environmental causes is low compared to the monetary sacrificed made, they are likely to perceive it to be unfair and refuse to pay extra for the green product. Hence, the sacrifice and benefits should be in balance for the consumers to perceive they are receiving value for their money. (Abrantes Ferreira, Gonçalves Avila & Dias de Faria 2010, 211). Consequently, the key differentiator between green and conventional products should be improved performance in addition to quality and functionality compared to less sustainable offering. Only then higher pricing can be justified. In addition, affordability of cosmetic products affects the consumers' purchasing decisions and thus sales discounts and promotions can enhance their willingness to buy. (Pudaruth et al. 2015, 188)

2.2.3 Place

The purpose of place decisions is to ensure that consumers have an easy access to the products or services provided. The easier it is for the consumer to access the products, the more value and benefit it creates for them. Consequently, it will enable companies to reach their business targets. (Bergström & Leppänen 2015, 223) Distribution channels are a set of organizations that make a product or service available for purchase and thus, serve as a link between existing supply and existing demand. Distribution channels may include several intermediaries but they always need to consist of at least a producer and customer. Choosing right distribution channels is one of the most vital tasks managers must make, since access to the markets is crucial for the success of a company. (Moore & Pareek 2009, 89; Håkansson & Waluszewski 2005, 144; Hollensen 2010, 461;361-362). Tasks of the distribution channel include information exchange with consumers and producers, providing access to the customer, dealing with orders, distribution and packaging as well as ensuring the product range and selection is suitable for the targeted segment. (Bergström & Leppänen 2015, 224). Before selecting the distribution channels, managers should consider the desired objectives

and operation model. Moreover, the selection process is affected by several aspects such as the company's previous customer contacts and experiences, segments, target markets, distance and cultural aspects. Naturally the characteristics of the product and the value and know-how it requires are also affecting the selection. (Vahvaselkä 2009, 211)

In a green marketing context, distribution includes two distinguished internal and external aspects. Firstly, the internal environment within the company should be managed so that all employees have a sense of how to observe environmental issues related to the company's internal processes and intended product. Actions taken within the company can make it more appealing to the consumers. Secondly, the distribution channels through which the product is offered to consumers should be as environmentally-friendly as possible. Because of the increased environmental awareness and interest, companies have started to green their supplier chains by investing more resources for example in green purchasing, life cycle analysis and minimizing waste in different parts of supply chain (Rao 2002, 633). Especially when aiming for an environmentally friendly supply chain, supplier selection becomes one of the most important issues for managers. Environmental performance of each potential supplier must be evaluated carefully to see how advanced or baseline their commitment is. (Govindan, Rajendran, Sarkis & Murugesan 2013, 66) In addition, distribution considerations should also include logistical decisions required to move the product from the supplier to vendor. A notable amount of the environmental impacts of products comes from the transportation to customers. Companies can make their logistical processes greener by increasing localized production and distribution as the negative effects of using fossil fuels are seen to be increasing. (Charter et al. 2002, 25; Peattie & Charter 1999, 615).

2.2.4 Promotion

The last piece of the marketing mix is promotion, which is focused at communicating with customers and providing them adequate information they need for the purchasing decisions. Like price and place elements of the marketing mix, promotion should not have any influence on the product features. Rather, promotion is merely a way to communicate a desired message from the producer or seller of the product to its user. Although communicating with customers and providing them simply information is important, the goal of promotional activities is to persuade customers to purchase the product or service

offered. Many companies try to gather feedback about their promotional activities to see how well the message has been received and interpreted by the consumers. (Hollensen 2010, 491; Håkansson & Waluszewski 2005, 115).

Charter et al. (2002, 26) suggest that companies should create a communication system which includes both company-specific and product specific aspects on environmental issues. The promotional elements of green marketing can include aspects such as campaigns, PR, sponsorships, personal selling and people (Peattie & Charter 1999, 613-614). Consumers of cosmetic products pay attention to the culture and behavior of companies, and thus companies should put effort on operating in a responsible way. This means that people representing the company, for example in stores, should also behave according to the company's standards. (Fonseca-Santos et al. 2015, 18). Green marketing should also be adapted in means of physical marketing communications through for instance shelf displays, posters and screens (Bergström & Leppänen 2015, 261).

As consumers are becoming increasingly interested in green lifestyles and concerned about the environmental impacts of the current consumption patterns, companies are using new market-based and consumer-oriented promotional tools to take advantage of the consumers' willingness to adopt greener habits. These tools are making it easier for consumers to differentiate green products and services from conventional ones. Hence, different green marketing tools can be perceived as enhancements to consumers' knowledge about environmentally friendly products. (Boström & Klintman 2008, 2; Rahbar & Wahid 2011, 74) Eco-labels, or green labels, are markers that are shown to the consumers and help them distinguish environmentally beneficial products from conventional ones. Labels are a form of eco-standardization and thus they are based on the standardization of principles and prescriptive criteria. They are both market-based and consumer-oriented and depend on symbolic differentiation. (Boström & Klintman 2008, 3, 28-29; Pedersen & Neergaard 2006, 16). Juwaheer, Pudaruth & Noyaux (2012, 51) argue that eco-labels can affect consumer purchasing behavior positively and thus they should be considered as an essential marketing tool in promoting green consumption.

There are several types of eco-labels, some of which are mandatory whereas others are voluntary. For cosmetic products one of the most recognized labels in the northern Europe

is the Nordic Swan Ecolabel. Products containing this label must meet specific requirements regarding chemical classification and environmental characteristics, use of fragrances and coloring, packaging and performance. Hence, Nordic Swan Ecolabelled products meet all the health and environmental requirements. However, these products are not always completely environmentally friendly but they are among the least hazardous products. (Nordic Ecolabelling 2017, 3) Other well-known labels are the ECOCERT natural and organic cosmetic label and natural cosmetic label. To receive the natural and organic cosmetic label the products must contain at least 95% of all plant-based ingredients and 10% by weight must be produced by organic farming. For the natural cosmetic label, the amounts are 50% and 5% respectively. Moreover, before granting the labels, ECOCERT will monitor the use of ingredients derived from renewable resources ensure that all products are manufactured by environmentally friendly procedures. (Ecocert SA 2017) Both the Nordic Swan Ecolabel and ECOCERT labels are voluntary labels that companies must apply for before using them.

Using eco-labels provide several advantages both for companies and consumers as well as reduce uncertainty about the environmental performance of the product. Companies benefit from labels as they can legitimate business practices, protect them from public regulations and help gain competitive advantage. Moreover, companies use labels in order to differentiate their offerings from those of competitors', position them and communicate environmentally friendly message to consumers. From a consumer perspective, the labels guide consumers in choosing those products that are environmentally friendly and thus cause less damage to the environment. (D'Souza, Taghian & Lamb 2006, 164; Pedersen & Neergaard 2006, 15-16) However, labels can sometimes be misleading or consumers are not able to recognize and/or understand the label (Ottman 2011, 37).

Like eco-labels, eco-brands can also help consumers identify green products and services from non-green ones. Inch (2011, 283) defines that green brands are "those whose users' primary associations are environmental conservation and sustainable practices". Eco-brand can be defined as a name, symbol or design of a product which is harmless to the environment (Rahbar & Wahid 2011, 75) Research has shown that consumers have a positive perception of eco-branded products and services. Environmental conscious consumers are likely to select eco-branded products over conventional products to satisfy

their emotional needs. Green brands can create several types of emotional advantages for the consumer such as the feeling of well-being, personal satisfaction of the socially noticeable consumption of green brands and nature-related benefits which usually require direct contact with nature. (Hartmann, Apaolaza Ibáñez & Forcada Sainz 2005, 11) Hence, it is important that companies acknowledge and understand the influence brands have on consumer's purchasing behavior. (Rahbar & Wahid 2011, 75-76) This influence forms the brand equity, which according to Keller (1993, 8) refers to "the differential effect of brand knowledge on consumer response to the marketing of the brand".

2.3 Green marketing credibility

Marketing credibility is one of the most important issues when trying to attract the green consumer segment. It is argued that the degree to which consumers perceive green marketing to be credible influences their purchase intention. By improving the quality of marketing effectiveness and environmental advertising companies can promote the growth of green consumerism. (Chan 2004, 436) Companies have started to stress eco-performance in their communication in order to attract the environmentally and socially conscious consumers. However, this has raised a concern that a lot of the green advertising is misleading or even untruthful. (Peattie & Crane 2005, 359-361) Hence, consumers' trust towards environmental claims of products is quite low and they are not even interested in finding out if they are valid or not. (Mendleson & Polonsky 1995, 5-6; Carrete, Castano, Felix, Centeno & Gonzalez 2012, 477)

Green marketing can result in misperceptions and skepticism among the consumers. Terms such as "environmentally friendly", "natural" and "sustainable have been used excessively in firms' marketing communications, which has resulted in a lower believability of such claims. (Charter et al. 2002, 26; Lampe & Gazda 1995, 307) The term "greenwashing" is referring to the type of promotional activities in which companies make green claims that are vague, misleading, unquantifiable or completely irrelevant to the product (Charter et al. 2002, 26; Vermillion & Peart 2010, 70). As a result, consumers are questioning the trustworthiness of these companies and products even when the claims are legitimate. Thus, because of greenwashing companies that are true to their environmental endeavors might lose their competitive advantage, as consumers are perceiving these claims faulty.

Furthermore, overuse of green claims can eventually escalate to a point where green features will become meaningless to consumers. (Furlow 2010, 23)

Consumers at large are not capable to verify the green claims of products, since they lack the expertise and knowledge required to do so. Nonetheless, those interested in green products and lifestyle are evaluating the advertising claims carefully and thus, companies should be careful not to provide consumers with deceptive or inaccurate marketing claims. Thus, if a company wants its green claims to be credible, it should only use specific, measurable and relevant claims. All information a company gives out to public should be based on thorough research and data. (Ottman et al. 2006, 31; Shrum et al. 1995, 81)

Based on the previous literature it can be assumed that consumers have a negative perception of the credibility of green marketing. Thus, the following hypothesis 1 is formed:

H1: Consumers in general have a negative perception towards credibility of green marketing

Many companies use third-parties to confirm the green claims made in the advertisements. This can mean using eco-certificates and labels as described in chapter 2.2.4 or using the third parties as a media to promote the claims. Third party verifications and reporting can help a company to win over the consumers and assure them of the greenness of the products and services offered. (Schouten & Martin 2012, 191) It is suggested that consumers are more inclined to trust certifications and recommendations of third parties as they often have a deeper knowledge on the standards than product manufacturers (Ottman 2011, 37) Moreover, these third-party certification bodies are usually audited by the owner of the standards in order to confirm their competence, which gives more credibility to their actions (Jahn, Schramm & Spiller 2005, 57-61). This discussion results in the formation of hypotheses 2 and 3:

H2: There is a positive correlation between consumers' preference of eco-labelled cosmetic products and perception of marketing credibility

H3: There is a positive correlation between consumers' preference of eco-brands and perception of marketing credibility

3 CONSUMER PERSPECTIVE TO GREEN MARKETING

In this chapter, the concept of green marketing is discussed from the consumer perspective. Environmental consumer behavior in regards of purchasing decision making process and consumer involvement is described. Moreover, consumer perception and perceived value, which are key concepts in this research, are discussed in the green marketing context. There are several approaches to green consumer segmentation presented in literature and some of the main theories are presented in this chapter. Lastly, a summary of the formed research hypotheses is provided.

3.1 Environmental consumer behavior

Consumer behavior refers to the processes related to purchasing, use or disposing of products and services by individuals or groups. The success or failure of a marketing strategy is based on the consumer reactions, which is why consumers should be considered in every stage of marketing planning. Consumer decision making is guided by motivation, goals, drives and wants. Motivation is the underlying reason that make people behave the way they do. The motives are raised by needs that the consumer wants to satisfy and the desired result is the goal. These needs can be either utilitarian or hedonic. Regardless of the nature of the need, there is always some degree of tension created to the person which results in an urgency to reduce it. This urgency is referred to as the drive behind consumer behavior. Finally, these aspects create a want for the consumer which is thus a combination of cultural and personal factors. (Solomon 2011, 33-35, 154)

Ottman (2011, 32-34) states that all green consumers make their purchase decisions based on universal needs which are transformed into purchasing strategies. These needs and strategies are presented in table 2.

Table 2. Green consumer motives and buying strategies (Ottman 2011, 33)

Needs	Strategies
Take control	→ Take preventive measure
Get information	→ Read labels
Make a difference / Alleviate guilt	→ Switch brands and / or stores
Maintain lifestyle	→ Buy interchangeable alternatives
Look smart	→ Buy “conspicuous” green

When making purchasing decisions, green consumers tend to avoid products that are hazardous to health or environment in any phase of the product’s life cycle. They also refrain from very energy consuming products. The materials used may not come from endangered or threatened species and environments. Moreover, the product should not create any unnecessary waste at any stage of the life cycle. (Elkington & Hailes 1992, 23) Joshi & Rahman (2015, 140) argue that environmental concerns, product attributes, environmental knowledge and subjective norms are the main attributes affecting consumers green purchasing behaviors. High prices, low availability and lack of trust in green products on the contrary create barriers for the purchase of green products.

It has been stated that even with all the efforts made to understand the green consumer one should aim to understand the purchase itself. To know the green consumers, more emphasize should be put in understanding environmental purchasing behavior. Most consumers are perceiving environmental products to have a favorable differentiation from competitors even though in many cases selecting a greener product can mean making a compromise regarding price, technical features or distribution channel. Thus, it should be considered to what extent the other features of products are not equal and try to understand the consumer behavior through that. (Peattie & Charter 1999, 602-603) Consumers can be divided based on their knowledge, attitudes and use of product or response to it. It is also important to try to understand the purchasing behavior both from the point of view of users and non-users. It is noteworthy that as a default, those who are identified as green consumers must express environmental concern. (Finisterra do Paço et al. 2009)

Purchasing decision making is a process consisting of several stages: need recognition, information search, evaluation of alternatives, purchase decision and post purchase behavior.

Since the process begins even before the actual purchase is made and continues after it, it is important that all stages are considered to create a successful marketing strategy. (Armstrong & Kotler 2009, 177-178) Schiffman et al. (2012, 69) have divided these stages into a process with three major components: input, process and output. The process is illustrated in figure 3 below.

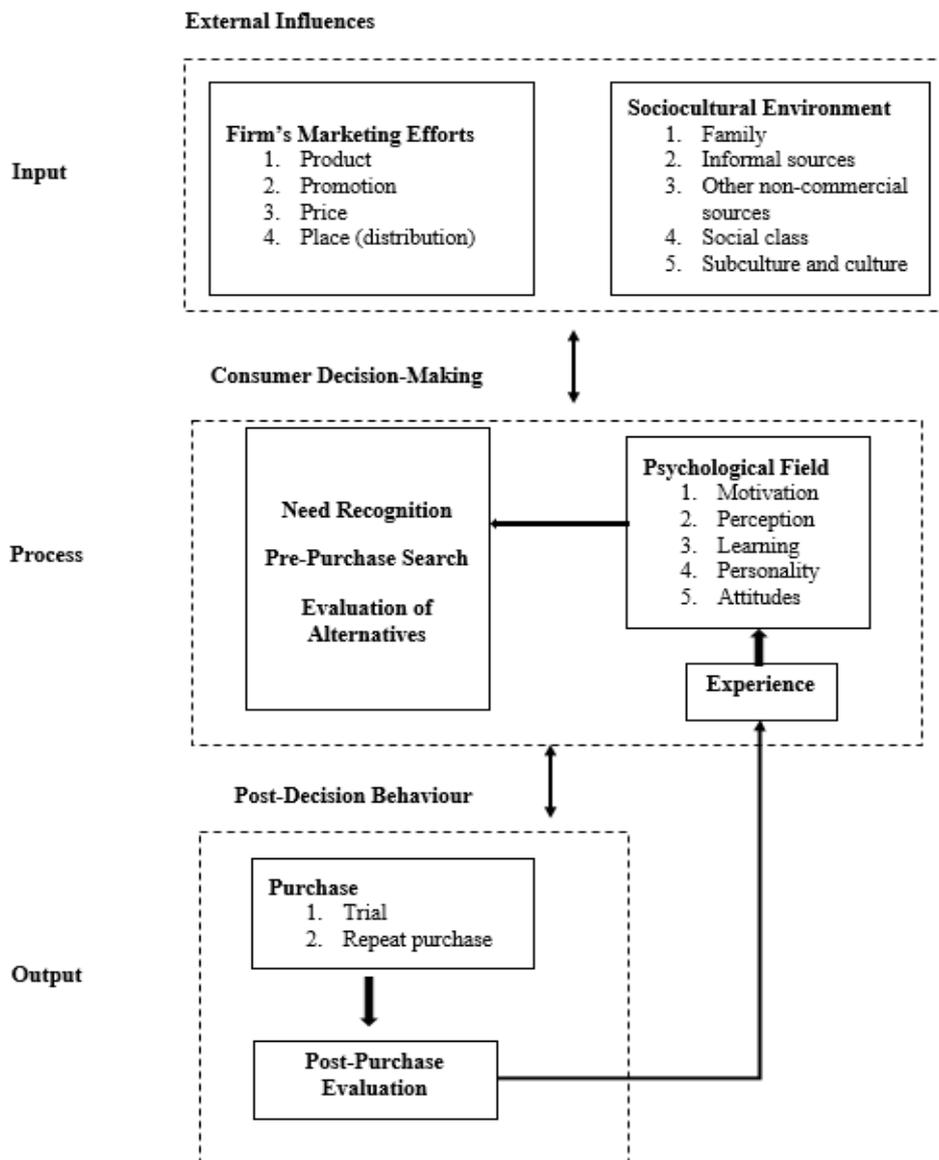


Figure 3. Factors influencing consumer behavior (Schiffman et al. 2012, 69).

Inputs

Input stage includes external influences that are affecting consumers' decision making by increasing their awareness of the product and thus shaping their values, attitudes and behavior related to it. Marketing mix efforts from companies as well as the sociocultural

environment in which the consumers live in are major parts of inputs. Cultural factors have influence on purchasing behavior as it includes issues such as the consumer's culture, subculture and social class. Social factors contain concepts such as groups, family and social roles. Moreover, a person's own demographic characteristics such as age, occupation, lifestyle and economic situation tend to shape consumers purchasing behavior. (Armstrong & Kotler 2009, 165-177; Schiffman et al. 2012, 69) To understand the behavior of green consumer segments, one should examine especially demographic criteria, as it is stated that these might affect consumers' attitudes towards environmental issues (Finisterra do Paço et al. 2009; Jain & Kaur 2006, 111). However, research has not been completely uniform about the impact of demographic features as some researchers argue that age and environmental attitudes are not related whereas others have found these to be either negatively or positively correlated. (Finisterra do Paço et al. 2009; Rettie, Burchell & Riley 2012, 423)

Due to the explicit nature of environmental consumerism, research findings show that there are some other dominant themes affecting individual's adoption of green behavior as well: consumer confusion, trust and credibility, and compatibility. Moreover, it is suggested that instead of true environmental values, consumers are driven to environmental behavior due to a combination of their perceived personal benefits, decreased risk and uncertainty, a sense of control over costs and deeply rooted cultural values and practices. (Carrete et al. 2012, 470)

Process

The process stage describes how consumers make decisions and is based on the psychological dimensions affecting decision making. Armstrong & Kotler (2009, 165-177) argue that psychological factors such as motivation, beliefs and attitudes further influence the purchasing decision. Motivations for green consumerism can be divided into selfish and unselfish motives. Buying green products merely due to the social pressure can be viewed as a selfish motive, whereas doing it to decrease the environmental impacts of consumption is perceived unselfish. For instance, research by Thøgersen (2011, 1071-1072) showed that people buy green products mainly for unselfish reasons. Even though consumers receive personal benefits, such as strengthened self-image as a rational person, the purchase decision is still essentially based on a genuine concern about the environment. According to Ottman (2011, 29), there are nowadays a countless number of environmental, social and economic

hazards which are worrisome from the green consumer's perspective and are driving their decision making. Individual consumers cannot act on all the issues but they are usually forced to prioritize their concerns.

The decision-making process itself can be further divided to three phases: need recognition, pre-purchase search and evaluation of alternatives. These aspects together form the experience for customer. Need recognition or problem recognition refers to the realization when one discovers the state between the current situation and what it could or should be. Two styles of need recognition can be identified: actual state and desired state. Actual state refers to situations when the consumers sees that they have a problem when the product or service fails to satisfy their needs. In contrary, in the desired state style, the mere desire for something rather than need starts the decision-making process. (Schiffman et al. 2012, 70; Solomon 2011, 336-337) When it comes to green products, consumers are comparing the benefits they bring to the benefits conventional products can bring them. The problem they are trying to solve is the harm non-green products can cause to the environment and thus, users of green products are looking to improve the environment in which they live. In addition to the lower impact on environment, green consumers like to buy green products because of the emotional benefits, such as feeling proud of themselves, they can bring. (Hartmann & Apaolaza Ibáñez 2006, 675; Chang 2011, 19)

The second part of the process, pre-purchase research, starts when a consumer recognizes that purchasing and consuming the product might be satisfactory. Past experiences shape the consumer's opinion about the choice, but when there is no such experience the consumer might have to engage to information search from external environment. There are several factors increasing the consumer's engagement to pre-purchase research such as product factors (price, features, brand) and situational factors (experience, social acceptability, value). Consumers can use personal or impersonal pre-purchase information sources. Personal sources include for example friends, neighbors and relatives whereas impersonal sources include articles, advertisements and websites. Moreover, individuals acquire information passively as there is a constant exposure to advertising, packaging and sales promotion activities, whether one wants it or not. This is called incidental learning. (Schiffman et al. 2012, 70; Solomon 2011, 337-338)

The purpose of evaluation of alternatives is to facilitate the decision-making process. Consumers tend to divide options based on two types of information: a list of all brands from which they plan to make their decisions (the evoked set) and the criteria on which they are going to evaluate these brands. Despite the total number of brands available in a product category, consumers generally have only a small evoked set which they consider in decision making, as it consists only of brands one is familiar with, remembers and finds acceptable. These brands are then evaluated based on product attributes the consumer finds important. (Schiffman et al. 2012, 74-75) In regards of green consumerism, consumers must first select between non-green and green products and make the further evaluations only within these categories.

Output

Output involves the actions related to post-decision behavior: purchase and post-purchase evaluation. From the company perspective, the goal of these activities is to increase customer satisfaction. Consumers can make three types of purchases: trial, repeat and long-term commitment. When buying a product for the first time in a smaller quantity than usually, the consumer is making a trial purchase. The purpose of these purchases is to test the qualities and features of the product and if the product is found more satisfactory than other brands, the consumer might repeat the purchase. However, some product categories, such as cars, require the consumer to make a long-term commitment directly after evaluating the alternatives. Through post-purchase evaluation, the consumer evaluates the performance of a product based on his/her own experience. This evaluation can lead to a neutral feeling if the performance matches expectations, positive disconfirmation if the performance exceeds expectations or negative disconfirmation if it fails them. For companies, it is important to diminish any discomfort or doubt that a consumer might have regarding their products, as it will affect their experience negatively. (Schiffman et al. 2012, 83)

3.2 Consumer involvement

When trying to understand consumer purchasing behavior, one should also consider the level of involvement related to the purchase and product itself. Zaichkowsky (1985, 342) defines involvement as “a person’s perceived relevance of the object based on their inherent needs, values, and interests”. In this definition, the word ‘object’ is generic and can mean a product,

purchase situation or an advertisement. In previous literature, this object is also called *direction*, to which the consumer is motivated. Another important term regarding the definition is *intensity*, which refers to the consumer's level of involvement or motivation. This intensity differs between individuals based on their personal aspirations. Lastly, the duration of the involvement intensity is referred to as *persistence*. In other words, the level of involvement varies between individual consumers within different time spans. There are several possible outcomes of consumer involvement that can for instance change the consumers' perception of a product or price and increase the marketing campaigns ability to induce purchases. (Solomon et al. 2016, 208-209; Warrington & Shim 2000, 763)

Due to the motivational nature of consumer involvement, it is influenced by various determinants. Firstly, as the definition suggests, one's level of involvement is affected by personal characteristics such as inherent interests, importance of the object, values and needs. These antecedents can motivate the consumer toward the object. Secondly, physical and stimulus factors of the object may affect one's involvement. These characteristics should create differentiation between available options and thus increase the consumer's interests. The content and source of communication are important in order to achieve this goal. Lastly, situational factors can momentarily increase the relevance of the object or one's interest towards it. These factors can be related for instance to the purchasing situation or use of the product. One's involvement with advertisements, products and purchase decisions can be affected by one or more of these determinants. (Zaichkowsky 1985, 342; Solomon et al. 2016, 208) Figure 4 illustrates the conceptualization of components of involvement.

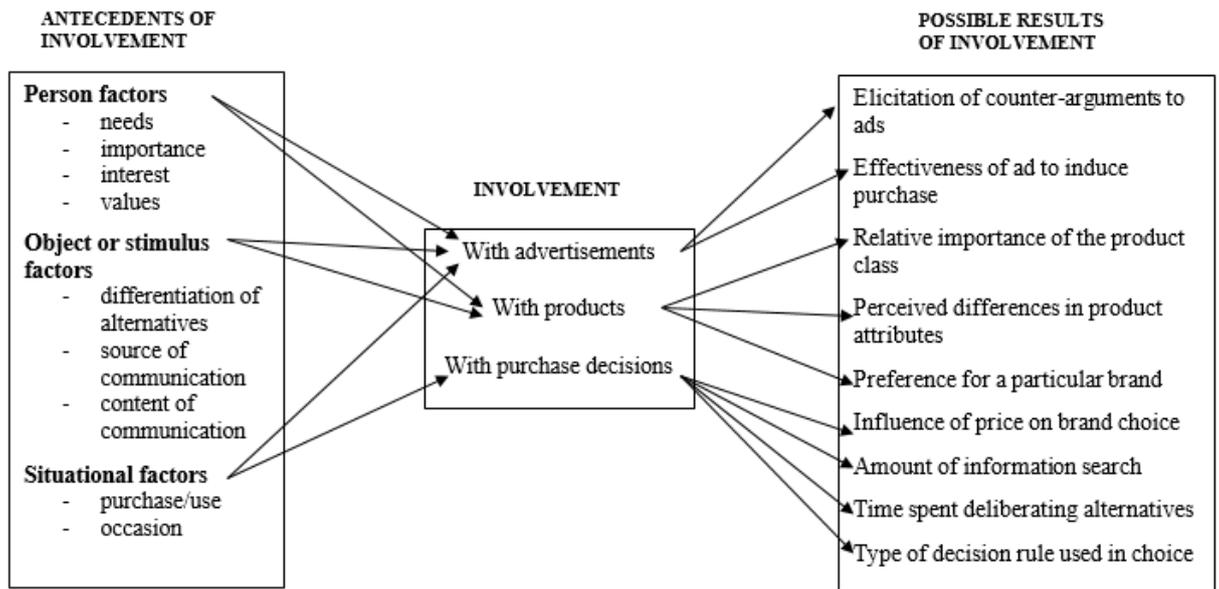


Figure 4. Components of Involvement (Solomon et al. 2016, 208).

Product categories can be divided into low and high commitment categories according to the level of consumer involvement associated to them. Consequently, these categories require different strategic implications regarding the marketing mix. Especially in the retail business, the importance of product involvement should be considered in order to create efficient strategies for attracting the potential customers. (Warrington & Shim 2000, 778)

Lack of involvement leads to unpredictable and arbitrary purchase behavior, which is undesirable from the company perspective. Products and brands in the low-involvement category might not be differentiated in an attractive way or there are many substitutes available. Adapting favorable pricing and promotional strategies plays a key role in attracting the consumers to purchase products in this category. In contrary, high-commitment products are highly appreciated by consumers. These products are well differentiated and there are only few substitutes available. At the extreme level when the commitment is very high, the products are irreplaceable and isolated from the competition. Thus, retaining favorable positioning and level of differentiation is extremely important for this category. (Martin & Goodell 1991, 55-57). Strategic implications and marketing characteristics of these two categories are summarized in the following table 3.

Table 3. Marketing characteristics and marketing mix considerations for high and low levels of product commitment (Martin & Goodell 1991, 58).

	Marketing Characteristics	Marketing Mix Considerations
High involvement	<ul style="list-style-type: none"> - High product/brand loyalty - Often high purchase involvement - Often shopping/specialty/durable type goods - Higher priced products, high perceived value - Differentiated products - Word-of-mouth communications apparent - Infrequent purchases - Negative consequences of making "wrong" decision 	<ul style="list-style-type: none"> - Skim pricing possible - Image-building, reinforcement messages - Avoidance of competitive advertising - Selective/exclusive distribution, specialty outlets, extensive sales & service support
Low involvement	<ul style="list-style-type: none"> - Lower product/brand loyalty - Impulse purchasing - Lower priced products - Undifferentiated products - Low consumer risk - Low purchase involvement - Intense competition, many substitutes 	<ul style="list-style-type: none"> - Promote trial purchase, build awareness - Competitive pricing essential - Incorporate and promote salient attributes - Comparative advertising acceptable - More intensive distribution, mass merchandising, high availability - Product quality consistent with competitive pricing

Cosmetic products are low-involvement products as they require only a little effort and consideration prior to making the purchasing decision. One characteristic of low-involvement products is that there are not any significant differences between products and brands, and thus consumers are likely to switch between brands. Moreover, cosmetic products are personal and are not used for reflecting self-concept to others. Thus, it can be assumed that consumers are not putting a lot of effort into looking for substitute products in the stores but rather select those that are easily available. (Saxena 2009, 149). Based on this assumption the following hypothesis 4 is formed:

H4: There is a relationship between availability and product involvement

Furthermore, there are five values which result in consumer involvement towards a specific product category: interest, pleasure, sign, risk importance and probability of error. Interest describes the ego-importance and centrality of the product class, as is stated that consumer involvement stem from ego involvement associated to an object. Pleasure value on the other hand is derived from the rewarding and hedonic aspects of the product class, whereas sign value refers to the personality, characteristics and identity that can be expressed through it. Lastly, risk importance measures the importance of the negative outcomes of mispurchase while probability of error is related to the negative feeling and uncertainty one experiences due to the possibility of mispurchase. (Kapferer & Laurent 1986, 49-50; Guthrie & Kim 2009, 117)

Consumer commitment to a product category is multidimensional and is affected by both attitudes and behavioral causes (Martin & Goodell 1991, 55). Kapferer & Laurent (1986, 50-51) made a comparison between 20 different product categories to explore their involvement. This comparison included also some items within the cosmetic product category. It was shown that perfumes and facial soap derive their involving nature through sign and pleasure values whereas shampoos achieve it through interest and risk probability. These results indicate that examining the nature of involvement among consumers gives marketers an opportunity to use the construct as a basis for market segmentation. Information about the nature and causes of involvement within a product category can be used to appeal for the different motivations of different segments, since consumers' involvement to products can stem from multiple causes. (Solomon et al. 2016, 211-214; Kapferer & Laurent 1986).

3.3 Consumer perception and perceived value

Understanding the consumers' perception of value is important to companies in order to correctly address the changing customer needs and create competitive value to the customers. Value-driven companies consider these needs and wants and focus on those product features that consumers consider beneficial and incite them to make the purchase decision. The perception process is very important to marketers and hence companies put a lot of effort into developing marketing stimuli that catches the consumers' attention. Perception is the process by which consumers select, organize, and interpret information

from outside world into a meaningful and coherent entity. (Hollensen 2010, 36; Schiffman et al. 2012, 159) Nevertheless, in consumer research the term perception is generally used to describe the subjective nature of the phenomena rather than the entire complex process of judgements. Hence, some of the aspects should not be regarded as consumer perceptions but as attitudes towards the issue at hand. (Scholderer 2010, 234)

In marketing context, perception can have a huge impact on consumer behavior and it is affected by three major factors: nature of the stimulus, expectations and motives. Consumers evaluate different marketing stimuli such as product qualities, its physical attributes, packaging, branding and advertising. Motives, such as needs, desires and interests of the consumer, at the time of receiving the marketing stimuli affect how they perceive it. The process of perceptual selection explains that consumers notice only a small portion of all stimuli they are exposed to. Consumers only become aware of the stimuli that is related to their current needs, which is known as perceptual vigilance. Perceptual defense on the contrary refers to the phenomena in which consumers ignore all stimuli that is not noteworthy for them at the time. (Schiffman et al. 2012, 135-136, 166) Finally, perceptions are relative to the consumers' expectations towards the product as consumers perceive the products according to their personal prospects. They are developed based on the previous experience with the product and thus differ from one consumer to another. However, consumers are only able to build reliable expectations of the product if there is consistency between the promised product attributes and customer values (Kim, Zhao & Yang 2008, 5; Schiffman et al. 2012, 166).

Consumer perceived value can be defined as the consumer's overall assessment of the utility of a product based on perceptions of the benefits earned compared to the monetary and non-monetary sacrifices made. (Zeithaml 1988, 14; Raval & Grönroos 1996, 22; Pelozo, & Shang 2010, 119). However, measuring and conceptualizing the value construct can be difficult, as value can be defined in various ways. Benefits consumers perceive to receive from the product can include aspects such as improved efficiency, branding, technically superior product, sustainable product solution and elimination of waste. In the exchange for benefits consumers face both direct and indirect costs. Direct costs are often monetary, for instance the price of the product, lifetime costs and spare part costs. Indirect costs tend to result from the customer participation in achieving the benefits and are thus typically non-

monetary. These costs include for example transaction costs resulting from conversations or negotiations with the product provider and service cuts. (Hollensen 2010, 35)

There are several different frameworks available for defining the consumption values. An exploratory study by Zeithaml (1998, 13) divided consumers' definitions of value into four categories according to the different value creating components revealed in the study. Firstly, some consumers consider price to be the most prominent factor in value creation and thus, they perceive value to equal low price. Secondly, value can be defined as whatever the consumer wants in a product, so the benefits it can provide are the most salient attribute of value. Thirdly, value to consumers is created by the price-quality relationship as they consider the tradeoff between these two factors. Value is created by offering the lowest price for a quality product or service. Lastly, consumers can perceive value as the relationship between what they give and what they get. This can refer to many "get" components for example the amount or financial benefits consumers gain for the money they pay.

Another perspective to consumption values is provided by Sheth et al. (1991), who argue that consumer choice is affected by functional, conditional, social, emotional and epistemic values. This five-fold framework relies on three propositions. Firstly, consumer decision is a function of multiple consumption values. Secondly, the values can influence consumer decision making in any given choice situation. Lastly, the values are independent. The contribution of each value differs according to the choice situation. Moreover, even though in an ideal situation a consumer could maximize all values, in reality it is not always possible but consumers are willing to make tradeoffs between them. In other words, consumers are willing to obtain less of some value to get more of another more salient one. (Sheth et al. 1991, 161-163) Green & Peloza (2011) found out that the consumer value proposition of green products corresponds to value drivers introduced by Sheth et al. (1991). Figure 5 provides overview of the five-fold typology of consumption values. Values provided by environmental responsibility are highlighted with green.

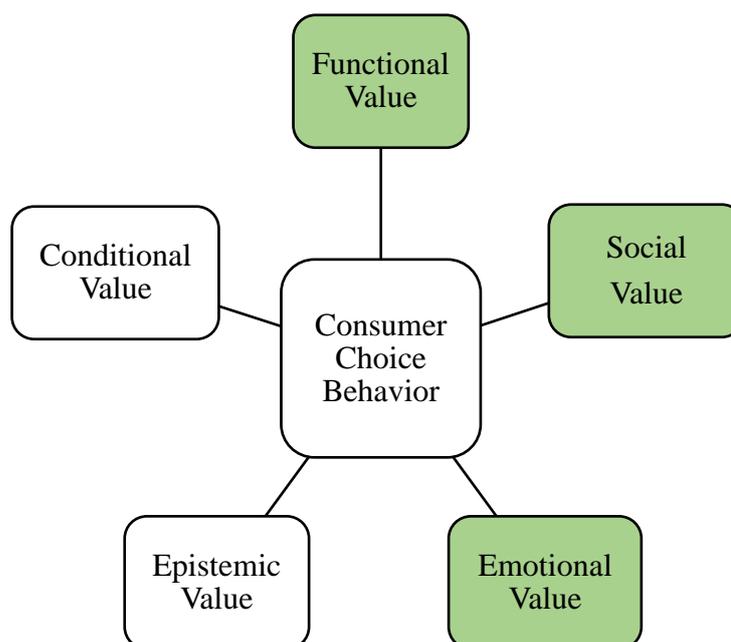


Figure 5. The five values influencing consumer choice (Sheth et al. 1991, 161; Green & Peloza 2011, 50).

Functional value of an alternative can be defined as “the perceived utility acquired from an alternative’s capacity for functional, utilitarian or physical performance”. (Sheth et al. 1991, 161). Similarly, from an environmental perspective, the actual benefits consumers gain through the green products or services creates functional value for them. Social value is defined as “the perceived social utility acquired from an alternative’s association with one or more specific social groups”. Stereotyped socioeconomic, demographic and cultural-ethnic groups can result in value creation, regardless if the stereotype is positive or negative. Especially decisions regarding high-visibility products or those to be shared with others are affected with social values. As consumers perceive they are judged by others based on their purchasing decisions, buying green products can create social value (Sheth et al. 1991, 161-162; Green & Peloza 2011, 50). Emotional value on the other hand is “the perceived utility acquired from an alternative’s capacity to arouse feelings or affective states”. Many products are associated with emotional responses and they are often connected with some aesthetic values, such as religion, as well. Moreover, it is shown that the purchase of products with positive social or environmental features creates emotional value for the consumer (Green & Peloza 2011, 50). According to Sheth et al. (1991, 163) epistemic value is defined as “the perceived utility acquired from an alternative’s capacity to arouse curiosity, provide novelty,

and/or satisfy a desire for knowledge”. This value is created by both from simple changes and entirely new experiences. Finally, conditional value is defined as “perceived utility acquired by an alternative as a result of the specific situation or set of circumstances facing the choice maker”. Conditional value is associated for example with products or services that provide seasonal or one-time-only value. (Sheth et al. 1991, 164)

Based on the article of Yeon Kim & Chung (2011) three additional main values affecting consumer attitudes towards buying green cosmetics products can be recognized: health consciousness, environmental consciousness and appearance consciousness. Those with high health consciousness try to adapt healthy behavior and maintain a healthy lifestyle. Regarding cosmetic products, these consumers are likely to be considered with safety of the products and pay more attention to the used ingredients. As mentioned earlier, environmental consciousness leads consumers in making greener purchasing decisions. When it comes to green products, issues such as pesticides, synthetic chemicals and animal testing are growing concern of environmental conscious customers. Appearance consciousness on the other hand guide consumers to choose cosmetics that express themselves and satisfies the need for beauty and personal appearance. Green cosmetic products include less chemical substances than conventional ones, which is why appearance consciousness is expected to have a positive effect on consumer’s attitude towards buying green cosmetics. (Yeon Kim & Chung 2011, 41)

As the above discussion shows, the consumer perception and perceived value can be affected by the marketing actions carried out by the companies. Moreover, consumers are willing to make tradeoffs between values which suggests that by emphasizing some part of the marketing mix a company could attract the consumer to choose a product that appears to offer more salient values for them. Thus, based on the above discussion and earlier theoretical findings about green marketing mix (chapter 2.2), it is suggested that there are positive correlations between marketing mix elements and value constructs. Hence, the following hypothesis 5 is formed:

H5: Marketing mix elements and consumer values are correlated

3.4 Green consumer segmentation

The characteristics of green consumers has been an area of interest for scholars for decades. However, researchers have not been able to agree on the characteristics and segments of green consumers and different sets of criteria have been adapted. Thus, there are several acknowledged segmentations of the green consumer available. Figure 6 summarizes some of the most recognized segment groups suggested in the previous literature.

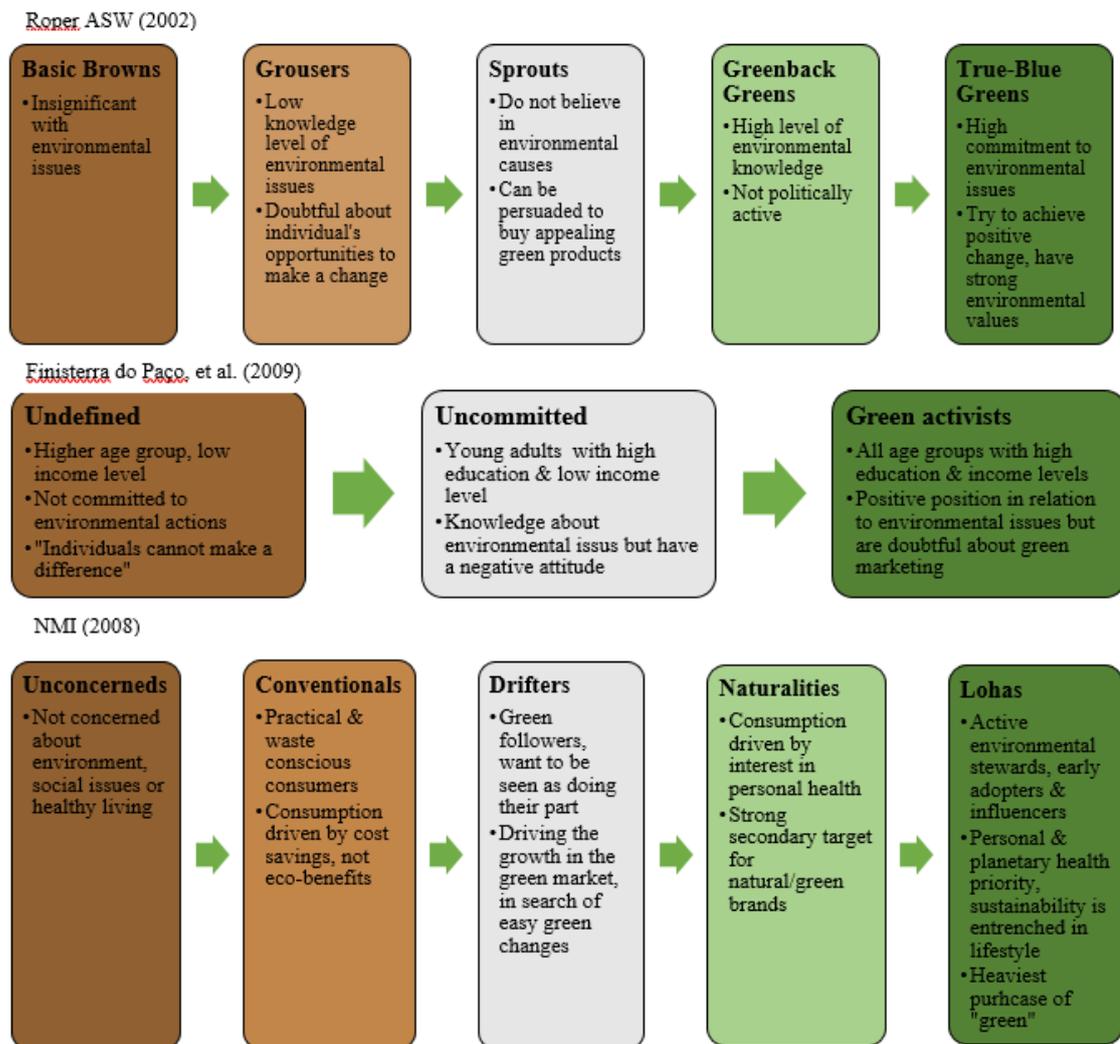


Figure 6. Segmentation models (Roper ASW 2002; NMI 2008; Finisterra do Paço et al. 2009).

Roper survey (Roper ASW, 2002) has provided a widely-used model of green consumer segmentation, which divides the segment into five categories. First group True-Blue Greens (9% of consumers) try to achieve positive change with environmental actions and they have

strong environmental values. Their likelihood of avoiding non-environmentally friendly products is over 25% higher than that of other consumers. The second group, Greenback Greens (6%) are different in the sense that they are not politically active. However, they are still more likely to buy green products than average consumer. Sprouts (31%) are the second largest segment and they can be persuaded to buy green products if they are appealing enough. However, they do not believe in environmental causes in practice and seldom buy green products if they are more expensive than non-green products. Grouzers (19%) are those who are cynical about individuals' abilities to make a difference and they are usually not very well-educated about environmental issues. Green products are too expensive for the people in this segment and they are not convinced about the quality either. The largest segment is the Basic Browns (33%) who are insignificant with environmental issues because they are too caught up with their everyday concerns. (Ginsberg & Bloom 2004, 80; Orsato 2009, 223)

Finisterra do Paço et al. (2009) conclude that there are three types of green consumers: uncommitted, green activists and undefined. The uncommitted segment consists of young adults with high education and low-income, who have knowledge about environmental issues but still have negative positions in relation to them. The green activists are people in different age groups with high education and income levels. They have a positive position in relation to environmental issues but they are doubtful about the green marketing activities and claims. People in the undefined segment are from higher age and lower income groups than in other segments. They are not committed to environmentally friendly actions since they consider that individuals cannot truly make a difference.

Another popular segmentation method is introduced by the Natural Marketing Institute (NMI), which is a leading consulting, research and business development company focused on the health and wellness market. Like Roper survey, NMI also divides green consumers into five segments: Unconcerneds, Conventionals, Drifters, Naturalites and LOHAS. Segmentation is carried out based on the consumers' values, environmental commitment and demographic criteria. Unconcerneds are those least concerned about environmental or social issues and they do not put emphasize on healthy living in their purchasing decisions. Demographically they are usually males in their early forties who have reached only a secondary level education. Thus, their income level is also very low. Conventionals have a

slightly higher commitment to environmental issues, although they are not environmentally-conscious in attitude. However, they are rational and practical consumers who put effort on recycling and conservation and thus, they can be attracted to by green products. Conventionals are typically males in their mid- to late forties with high education and income levels.

The consumption of Drifters is driven by their desire to follow the latest trends and being seen as doing their part, yet they are not truly committed to sustainability. As green consumption is becoming more fashionable and increasing as a phenomenon, Drifters are a prime target for the green market. They are the youngest segment consisting mostly of women with moderate income level and low education. Naturalites prioritize products without any artificial ingredients and thus try to purchase those with only natural ingredients. They are not always deeply committed to environmental causes per se, but their interest in personal health leads to greener consumption. Naturalites are usually women in their mid-forties. This segment is the most unlikely to have a college level education and they also have a low-income level. The most environmentally committed segment is the LOHAS segment, which is driven by strong attitudes of personal and planetary health. They are heavy consumers of sustainable products and can influence others to purchase them as well. Like Conventionals, LOHAS consumers also engage strongly with recycling. They are usually middle-aged women with the highest income level among all the segments. They are also the most likely to have a college level education. Due to their high-income levels, LOHAS consumers are also price insensitive. (Rogers 2012; NMI 2017; NMI 2008, 15-29)

As mentioned earlier, the researchers have not been able to establish one coherent theory for green consumer segmentation. There can be found several other theories in addition to the three introduced previously. However, in this thesis the NMI segmentation model will be used as a basis due to its comprehensiveness and adaptability to the context. The NMI segmentation model provides an easy understanding of the differences between behavior of different segments as well as their level of environmental concern. Even though consumers' demographic profiles are considered in the NMI's segmentation model the model emphasizes attitudes and behavior of consumers. Thus, using demographic criteria is stated to be challenging but is included in the analysis as it is an important variable in the marketing context. (NMI 2008, 16) Results of the segmentation are presented in chapter 5.1.

Moreover, based on the knowledge that all segments have different perceptions regarding for instance the importance of protecting the environment and the benefits of green products, it can be assumed that there are differences how they view the different marketing activities as well. Moreover, the segments are different in terms of their demographical features, which is also proven to affect consumers' reactions towards marketing. Thus, the following hypothesis 6 is suggested:

H6: Green consumer segments value marketing mix elements differently

3.5 Summary of hypotheses

Based on the theories, eight hypotheses were formed. All the hypotheses are listed in the following table 4.

Table 4. Summary of Hypotheses.

<ul style="list-style-type: none"> • H1: Consumers in general have a negative perception towards credibility of green marketing • H2: There is a positive correlation between consumers' preference of eco-labelled cosmetic products and perception of marketing credibility • H3: There is a positive correlation between consumers' preference of eco-brands and perception of marketing credibility • H4: There is a relationship between availability and product involvement • H5: Marketing mix elements and consumer values are correlated • H6: Green consumer segments value marketing mix elements differently

4 RESEARCH METHODOLOGY

This chapter relates to the empirical part of the research. It includes descriptions of the research method, questionnaire measure development, sampling and data collection processes. The data was collected during August 2017 with a web survey (appendix 1). More detailed description of the research design and methods is presented next. The research design was conducted based on the “research onion” approach introduced by Saunders, Lewis and Thornhill in 2008. (Saunders et al. 2009, 108). The adapted “research onion” is presented in figure 7 and explained in more detailed in the following sub-chapters.

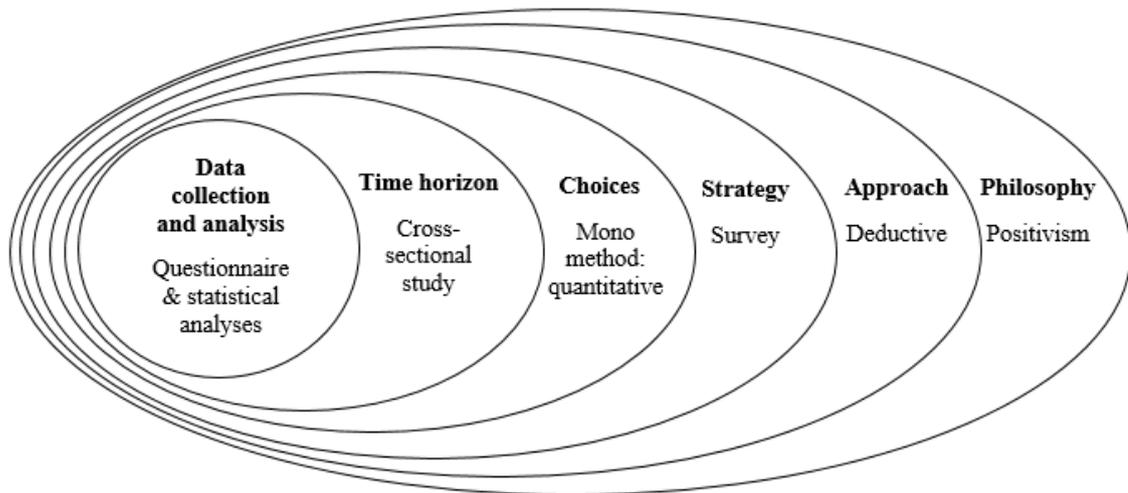


Figure 7. Research design of the study.

4.1 Research philosophy and approach

The first layer is the research philosophy, which determines the research strategy and methods. Selection of research philosophy can be affected by practical considerations but it should be mostly based on the perceived relations between knowledge and how it is established. This means that one should decide the philosophy based on the research problem as different approaches can help achieving different goals. The “onion” introduces four main research philosophies: positivism, realism, interpretivism and pragmatism. These approaches are different regarding their underlying dimensions of ontology, epistemology and axiology. In other words, they have different perceptions of reality, ways of creating

adequate knowledge and the importance of values in research. (Saunders et al. 2009, 106-109).

As for this thesis, positivism philosophy was found the most suitable as it aims for generalizable results by observing a social phenomenon. Furthermore, data is usually collected by using existing theories in order to develop hypotheses. Then, the created hypotheses will be tested and either confirmed or rejected. Confirming the hypotheses means that they are supporting the theories whereas rejection shows that the theories should be developed further. This might require future research and further tests of the hypotheses. When adapting the positivist approach, the research is conducted in a value-free way, meaning that the researchers own value structure does not affect the results. It is suggested that in order to guarantee it, the researcher will have minimum contact with the respondents. Lastly, positivist approaches usually include using highly structured methodology focusing on quantifiable observations that can be analyzed statistically. (Saunders et al. 2009, 113-114) In this research, there are several hypotheses created based on the previous literature and research, which will be tested. The researcher has very limited communication with the respondents and thus, her own values cannot influence respondent's answers. Moreover, pilot-testing will be conducted in case for leading or misleading questions. Furthermore, the research method is structured and it will result in quantifiable data which will be analyzed with statistical methods.

Moreover, a deductive approach has been adapted in this research. Deductive approach is aiming to developing a theory which will be exposed to a rigorous test. One feature of the approach is that it aims to explore relationships between variables, so it needs to be highly structured and controlled to guarantee validity. Gathering rather large sample size is important for generalization based on the findings. Typically, deductive approach involves also formation of hypotheses and it is important to describe how the variables will be measured. (Saunders et al. 2009, 125) The aim of this research was to test hypotheses and generalize and expand the existing theory on the chosen research context. Thus, deductive approach was pursued. This also meant that the study was required to receive an adequate sample size to make generalizations possible.

4.2 Research strategy and methods

The empirical part of the research is done by using exploratory research design, since some of the hypotheses presented are aiming to exploit and analyze relationships between variables. Exploratory research is used for exploring the cause and effect relationships between phenomena and hence, is suitable for the purposes of this research. Adapting this research design requires quite large sample in order to make reliable assumptions of the relationships based on the data. (Heikkilä 2014a, 14; 180) More precisely, this study is a quantitative research aiming to explore connections between variables. Moreover, the magnitude of the variation is also of interest in this research, which makes quantitative methods suitable. Quantitative research methods allow one to gather data that can be easily classified and measured, which is why it was also suitable for this research. However, it opposes some requirements for the collected data as it needs to be more structured, rigid and predetermined than that of qualitative research. (Kumar 2011, 105)

The data was collected through an online survey, which served as a quantitative strategy. Conducting a survey allows one to collect a large amount of data in relatively simple way. Data collected from surveys can be analyzed quantitatively using descriptive and inferential statistics. Although there are several survey methods, such as structured observation and interviews, a questionnaire was selected as the data collection method in this thesis. (Saunders et al. 2009, 144; 482) Questionnaire is a relatively convenient data collection method as it requires only minimal human and financial resources but allows one to gather large amounts of data in a rather short time period. It also provides more anonymity as there is no face-to-face interaction between the respondent and interviewer, which may also result in receiving more accurate information. (Kumar 2011, 148) More detailed description of the questionnaire is provided in chapter 4.4

Lastly, the time horizon of the study was cross-sectional as the online questionnaire was distributed only once. Therefore, the consumer perceptions towards marketing elements was studied only at that time given. (Saunders et al. 2009, 155).

4.3 Sample and data collection procedure

The data was collected during a one week period in August 2017. The sample of the research was a self-selected sample, as participants individually identified their desire to participate in the research. Self-selection sampling is widely used in cases which require exploratory research. (Saunders et al. 2009, 241; 236) To avoid one-sided results, the data was collected from individual consumers from different consumer segments. This means that they are different regarding attributes such as age and gender but also in their set of values.

The survey questionnaire was posted on two private Finnish Facebook groups focused on beauty, cosmetics and style. In order to guarantee the representative of the sample, the demographic variation of the groups was checked beforehand. Together these groups have almost 20.000 members with different demographic backgrounds. Moreover, the only rule regarding demographic variables was that in the other group all members should be at least 18-years-old. All members to both groups had to be accepted by the group administrator before joining. Although there were no language requirements to the members the primary language used in these groups, both by administrators and members, is Finnish. The questionnaire was originally conducted in English but was translated also into Finnish to ensure that the used language did not restrict anyone from participating.

The survey was conducted by using Google Surveys-tool, which allows one to create their own questionnaire and share it online. The program automatically saves the data and allows one to import it as an Excel-file for further analysis with a statistical program. IBM SPSS Statistics program (version 25) was used for analyzing the imported data set.

4.4 Questionnaire design – measure development

To find clear and structured answers to the research questions, the questionnaire is divided into four categories: demographics, marketing elements (including marketing mix and marketing credibility), involvement and value perception. Each construct includes several questions to be answered by the recipients. These constructs were formed based on the found theories and previous researches on the topic. The constructs are presented more thoroughly

in the following chapters. Since the questionnaire was distributed online and communication with the respondents was limited, a short description of the research topic and goals was included in the beginning of the survey. The used questionnaire format can be found in appendix 1 both in Finnish and English. Before distributing the questionnaire, it was pretested with eight persons in both languages. Following the pretests, some modifications to question wording and order was made based on the received feedback.

4.4.1 Demographic

The demographic construct is used for gaining more information on the respondents' backgrounds. Moreover, the demographic variables are used for segmentation of the respondents together with the value perception variables. Understanding the demographic diversification is important, as these issues have an influence on consumer purchase behavior. (Armstrong & Kotler 2009, 165-177; Schiffman et al. 2012, 69) Variables included in the demographic construct were gender, age, education and yearly income level. The respondents were provided with numeric or verbal answer categories from which they were asked to choose the most accurate one.

4.4.2 Marketing elements

Marketing elements construct is consisted of two entities discusses in chapter 2; marketing mix elements and marketing credibility. Thus, this construct provides answers to the first and second sub questions of the main research question. The questions are based on the theoretical findings presented in chapter 2 as well as similar researches by Pudaruth et al. (2015) and Ndungu (2013). The construct consisted of 24 statements in total. All statements were measured on a five-point Likert scale where value 1 indicates "Strongly disagree" and value 5 "Strongly agree".

Variables related to product, price, place and promotion examine how the respondents perceive different aspects of the marketing mix and give information on which ones have the most influence on purchase behavior. Based on these constructs, it is possible to determine which are the most important marketing mix elements for consumers when selecting cosmetic products.

As it was stated that consumers can be doubtful of the reliability of environmental claims of products and thus the construct “Marketing credibility” measures how trustworthy and reliable consumers perceive green marketing activities and products to be. This construct was added as it has been stated that customers can be doubtful regarding marketing efforts of green products and this affects their purchase behavior along with values (Carrete et al. 2012, 470). Moreover, trustworthiness is an important aspect in creating credibility which in turn can affect customer value perception (Kim et al. 2008, 5).

4.4.3 Involvement

Consumer involvement variable was included as to measure the level of involvement within the product category of cosmetic products. These questions aim to show where the cosmetic products derive their involving nature and thus, it provides answers to the fourth sub-question of the main research question. This construct consists of five variables which are related to different involvement types. The measure items are based on the theories of five involvement dimension and adapted from the questions used by Guthrie & Kim (2009, 121). In corresponding order, the statements measure levels of pleasure, interest, risk importance, probability of error and sign values. Based on the theory it was assumed that there can be more than one type on involvement related to a product category, respondents were asked to evaluate their opinion regarding each statement. As with the marketing elements, respondents were asked to indicate their answers on a five-point Likert scale from “Strongly disagree” to “Strongly agree”.

4.4.4 Perceived value

Purpose of the variable “Perceived value” is to measure the consumer perception of different value attributes related to green cosmetic products.). Based on these questions one can see how the different marketing mix variables as well as marketing credibility are related to consumer perceived value and thus answer the third sub question of the main research question. Furthermore, through these questions together with demographic variables it is also possible to roughly segment the respondents based on the five green consumer categories provided by NMI (2008). There are six statements included in the construct which

are derived from the theoretical findings presented in previous chapters, stating that, in addition to the environmental aspects, green consumer behavior is motivated by emotional, social and functional values provided by the products (Sheth et al. 1991, 161; Green & Peloza 2011, 50). Here too, respondents were asked to reply by using a five-point Likert scale where the lowest value indicates “Strongly disagree” and the highest “Strongly agree”.

4.4.5 Measurement items

The following table 5 presents the used measurement items and how they were divided among constructs.

Table 5. Measurement Items.

Constructs	Scale item
Demographic	<ol style="list-style-type: none"> 1. Gender 2. Age 3. Education 4. Income level
Marketing elements	<ol style="list-style-type: none"> 5. I choose green cosmetic products because of the natural ingredients 6. I choose cosmetic products which are free from animal testing 7. I choose cosmetic products with environmentally friendly packaging and materials 8. Color and smell of cosmetic products affect my purchasing decision 9. I choose cosmetic products with attractive packaging and labelling 10. I choose green cosmetic products based on their affordability and price 11. I am willing to pay more for cosmetic products that are produced and processed in a sustainable way 12. Price level of green cosmetic products is too high

	<p>13. Green cosmetic products bring value for money</p> <p>14. I am willing to shop at more than one place to take advantage of low prices</p> <p>15. Green cosmetic products are easily available</p> <p>16. I would like to find green cosmetic products in my nearby store</p> <p>17. Green cosmetic products have sufficient product range</p> <p>18. I choose cosmetic products which promote social responsibility of cosmetic product dealers</p> <p>19. I choose cosmetic products that promote environmental supply chains</p> <p>20. Marketing information on green claims influence my choice for cosmetics products</p> <p>21. Sales promotions and discounts influence my purchasing decision of green cosmetic products</p> <p>22. Shelf display influences my choice for cosmetic products</p> <p>23. I choose green cosmetic products with eco-labels</p> <p>24. I prefer ecological brands over non-ecological ones</p> <p>25. Environmental claims of green cosmetic products are generally trustworthy</p> <p>26. Advertisements of green cosmetics are honest</p> <p>27. Most green cosmetic advertisements provide consumers with essential information</p> <p>28. Green cosmetics keep promises and commitments to environmental protection</p>
Involvement	<p>29. I really enjoy buying green cosmetics</p> <p>30. What cosmetics I purchase is extremely important to me</p>

	<p>31. It is very irritating to make mistakes when buying cosmetics</p> <p>32. When I am in front of the cosmetic section, I always feel unsure about which one to choose</p> <p>33. I can tell a lot about a person from the cosmetic he/she buys</p>
Perceived value	<p>34. I believe buying green cosmetic products gives a good image of me</p> <p>35. I buy green cosmetic products because preserving the environment is important to me</p> <p>36. I buy green cosmetic products because they improve my physical appearance</p> <p>37. I buy green cosmetic products because they make waste disposal easier</p> <p>38. I believe green cosmetic products are good for my health</p> <p>39. Buying green products is insignificant for me because I do not believe individuals can make a difference</p>

4.5 Data analysis methods

Prior to starting the analyses, the data was checked for duplicate and missing responses with the SPSS software. Duplicate answers were checked since the questionnaire was conducted online and for instance errors in the used software or network connection might cause some answers to be recorded twice. However, no duplicate answers were discovered from the data set. Thereafter, the data was checked for missing values. The questionnaire was conducted in a way that each question was required to be answered before one could move on to the next section. Thus, only way a respondent could leave some questions unanswered was to quit the questionnaire before finishing it. However, no missing values were found either, which means that every respondent finished the whole questionnaire. Consequently, all 325 answers were usable.

Hypotheses were tested by statistical analyses. Since the collected data was not normally distributed, it was analyzed by using non-parametrical analyses. Results of the conducted normality test for the variables are presented in appendix 2.

The data was analyzed by using several different methods. Firstly, frequencies were used for exploring the occurrence of demographic variables among consumers. As the hypotheses required information about segmentation of the respondents, a K-means clustering analysis was implemented. Secondly, factor analysis was conducted to find out how the variables loaded on constructs. Thirdly, hypotheses were tested by using statistical analyses. Consumer perception of marketing credibility was studied by conducting a one sample t-test. In order to study the relationships between marketing credibility and preference of eco-labels and eco-brands, Spearman's rank-order correlation was used. It was also used for exploring the relationship between product availability and involvement. Lastly, a Kruskal-Wallis H test was conducted in order to explore the differences among the discovered segments.

5 FINDINGS

5.1 Descriptive statistics

The collected data consisted of 325 answers in total. Even though the Facebook groups used for data collection had both male and female members, 100% of the respondents were women. The questionnaire was translated both into Finnish and English and links to both versions were posted on the groups. However, only three respondents replied in English and the rest 322 participants chose the Finnish translation.

The sample represented all age groups although majority of the respondents were under the age of 45. The biggest age group was the 24-34-year-olds, as it comprised 52% of all respondents. Older age groups (45 years or more) were significantly less represented as they consisted approximately only 13% of the sample. One reason for this could be that younger generations are more active online and thus are also more likely to join such Facebook groups and participate in surveys than older people. Age distribution of the respondents is presented in the following figure 8.

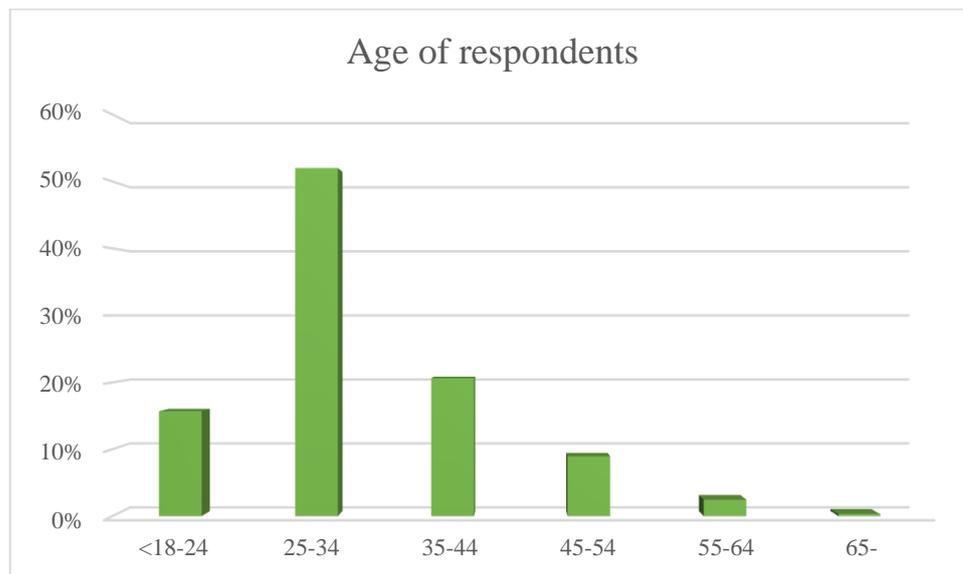


Figure 8. Age of respondents.

Education level of the respondents was more equally distributed among the respondents. Over 98% of the respondents had a second level or higher degree. Only five respondents had an elementary education degree and one had reached stage of tertiary education. Educational levels of respondents can be seen in figure 9.

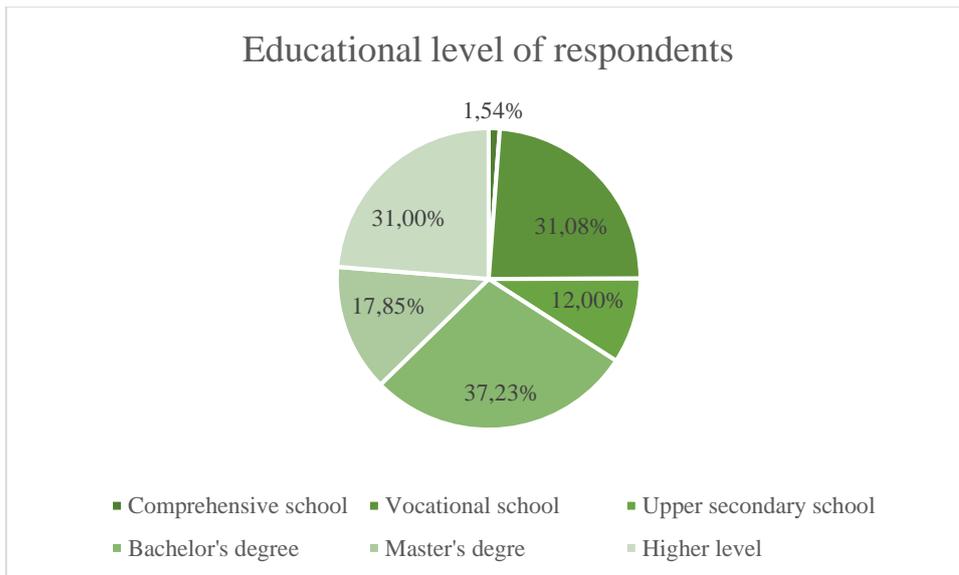


Figure 9. Educational level of respondents.

Income distribution of the respondents is illustrated in figure 10. The largest single income group, representing 32% of the respondents, was those with yearly income from EUR 30,000 to 39,999. Overall, majority of respondents had income below 39 999 euros per year, as these groups formed 89% of the answers. However, 7% of the respondents stated to have income between EUR 40,000 to 49,999 and 4% between EUR 50,000-59,999. Income levels from EUR 60,000 upwards consisted of one percentage of the respondents each.

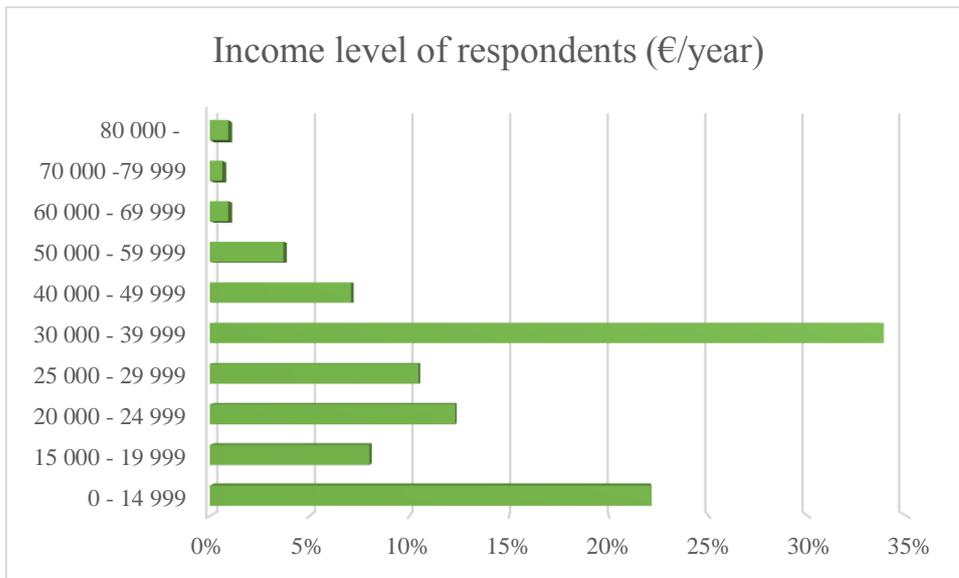


Figure 10. Income level of respondents (€/year).

As mentioned in chapter 3.4, segmentation of the respondents was carried out according to the theory provided by Natural Marketing Institute (NMI 2008). K-means clustering method was chosen for segmentation method, as it suitable for larger datasets and when the number of clusters is known beforehand (Heikkilä 2014, 233). According to the NMI theory (2008), there are five green consumer segments, which differ in their value structure and demographic profiles. Thus, the data of this research was divided into five clusters by K-means clustering.

Segmentation was done based on the demographic profile of the respondents as well as their answers to the value questions. However, as there were some inconsistencies between the demographic profiles suggested in the theory and those discovered in the data, more emphasis was put on the values perceptions of the clusters. The original segmentation model also relies on the values and attitudes and thus it is justified to use demographic criteria as only secondary. Since all the respondents were women, gender was not included as a criterion for clustering. Based on the results of the analysis it was possible to divide the respondents in five segments according to the NMI's model.

As figure 11 shows, largest segments discovered in the K-means cluster analysis were Conventionals and Drifters, each constituting of approximately 29% of the respondents.

Third largest group was LOHAS with 23.7% of respondents. Smallest groups were Drifters (9.6%) and Unconcerneds (7.1%).

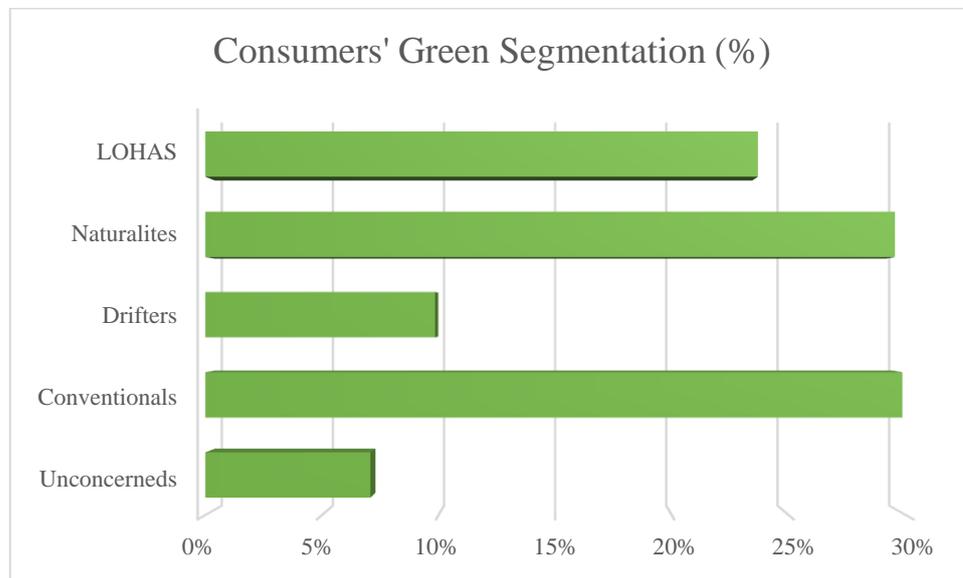


Figure 11. Consumers' Green Segmentation.

Next, the profiles of the segments are shortly presented. More detailed numeric results of the analysis can be found in appendix 3.

Lohas (Cluster 5)

NMI's green consumer segmentation (2008, 13) describes Lohas consumers as those who have a health and sustainability as the cornerstones of their lifestyle. They are socially responsible and emphasize both personal and planetary health in their decisions. As mentioned before, the empirical analysis showed that Lohas was the third largest segment consisting of approximately 23.7% of respondents in this study. Respondents of the Lohas segment had high scores on protecting environment, personal health and ease of recycling. Moreover, they had relatively low scores on the physical appearance benefits and portraying good image of themselves by purchasing green cosmetics products. Since Lohas consumers are more focused on the health and sustainability, these are issues that are not of high importance to them. In addition, the results showed that Lohas segment did not agree with the statement "Buying green products is insignificant for me because I do not believe individuals can make a difference", which is also consistent with the theory.

According to the theory, Lohas consumers should have the highest income and education levels of all consumers. However, the analysis shows that the Lohas segment discovered in this research has the lowest education level but their incomes are among the highest of all segments. Thus, this is slightly inconsistent with the theory. The cluster center for education in Lohas -segment is vocational school, which could be one explanation to the difference between theory and the results. Thus, consumers in this segment still have the same predicted income level even with lower education. Lohas consumers in this study appeared to be 25-34-years-old.

Naturalites (Cluster 4)

Naturalites are those consumers who prioritize personal health in their decision making. Their interest level in environmental issues and planetary health is above average but not as high as the Lohas consumers'. (NMI 2008, 18) The results show that approximately 30% of the respondents in this research belong to the Naturalites segment. They value importance of green cosmetic purchases on personal health highly and environmental reasons are also important for this group of respondents. Moreover, they agree rather strongly with other aspects as well, especially with the statement that they purchase green cosmetics in order to improve their appearance. Nevertheless, they do not agree with the idea that individuals cannot make a difference.

When it comes to demographics, Naturalites are likely to have relatively low income and education levels (NMI 2008, 19). This holds true in this study as well, since the Naturalites segment has one of the lowest income levels and most of them have upper secondary school level education. However, it is the youngest segment with consumers mainly in the age group from 18 to 24, which is inconsistent with the theory stating the average Naturalites consumers are in their mid-forties (NMI 2008, 19).

Drifters (Cluster 3)

Drifter consumers acknowledge that protecting the environment and acting in a sustainable manner are important but this does not usually translate into actions. Their actions are more likely connected to latest trends than true environmental commitment. (NMI 2008, 13) The data analysis showed that the Drifter segment in this study is projecting some environmental values as well but their purchase of green cosmetic products is more connected to personal

reasons: improving health and one's appearance. Ease of recycling is not one of the main reasons driving their purchase of cosmetic products. However, also they do not agree with the statement that individuals cannot make a difference.

Demographically drifters should be the youngest group with moderate education and income levels (NMI 2008, 22). Drifter consumers discovered in the cluster analysis are the second youngest group (25 to 34 years) with one of the lowest income levels and moderate education. Thus, it can be stated that these findings support the theory quite well.

Conventionals (Cluster 2)

Based on the theory, even though Conventional consumers share some environmental concern with other segments, they are generally not emphasizing environmental issues but are rather motivated by functionality. Thus, they are likely to be involved for instance in recycling. (NMI 2008, 13) In this research, the Conventional consumers agreed rather strongly with purchasing green cosmetic product because of the importance of protecting importance, which is slightly inconsistent with the theory. However, this group showed also the strongest commitment to recycling after Lohas segment and is driven by the functional benefits of improving one's health and appearance.

In accordance with the theory, the Conventionals segment has high education and income levels. Age-wise the segment consists of respondents between 25 to 34-years. Conventionals was one of the largest segments represented in this study consisting of 30% of the respondents.

Unconcerneds (Cluster 1)

The least environmentally conscious group is the Unconcerneds segment (NMI 2008, 13). This research found a segment of Unconcerneds customers representing 7% of the data. Of all segments, the Unconcerneds agreed most highly with the statement "Buying green products is insignificant for me because I do not believe individuals can make a difference". Moreover, they showed the least interest towards environmental reasons but showed high agreement on purchasing green cosmetics because they give good image of themselves. All in all, this segment disagreed most strongly with the statements.

According to the NMI's model (2008, 28), Uncocerneds are most likely to have a low or moderate education level and the lowest income. However, the Unconcerneds segment discovered in this study had the second highest income and highest education level.

5.2 Factor analysis

Factor analysis was conducted for all of the green marketing factors including all marketing activities meaning marketing mix elements and credibility. The analysis was done by using oblimin rotation with maximum likelihood extraction method. It is suggested to use oblique rotation methods, such as oblimin, if there are correlations above level 0.32 among the variables (Yong & Pearce 2013, 85; Brown 2009, 21). These types of correlations were found in the data and thus oblique rotation method was chosen for this analysis. Maximum likelihood is suggested to use as an extraction method when the sample size exceeds hundred. (Heikkilä 2014b, 11). As the sample size in this research is 325, this extraction method could be adapted in the analysis.

Results and factor loadings derived from the analysis are presented in appendix 4. Based on the analysis four new factors were created. Marketing mix elements loaded only on three factors in oppose to the projected four factors, since some items grouped differently than expected and the price and place items loaded on the same factor. As expected the credibility items loaded heavily on one factors. Some variables did not load on any factors and thus they were removed and are not considered in the further analysis.

The four new factors are labelled as "Green product", "Credibility", "Price and availability", and "Green promotion". Cronbach's alphas were calculated for each new factor to test their reliability. According to Nunnally (1967), alpha values above 0.6 are considered sufficient (Churchill 1979, 68). All four factors had alphas above 0.6 and can therefore be accepted. However, some variables were deleted in order to increase the alphas. Final amount of factor items and alphas for each factor are presented in following table 6. Sums of the variables were calculated and as they were not normally distributed (see appendix 5), mostly non-parametric methods were used for the analyses regarding the factors. However, as it is argued that t-test is robust to nonnormality with large sample sizes (Yanagida, Rasch, Kubinger & Schneider 2017, 501), it is utilized for studying the consumer perceptions of credibility.

Table 6. Reliability of Constructs.

Factor	Alpha	Mean	St. deviation	N
Green product	0.794	32.70	4.537	5
Credibility	0.809	13.62	2.333	4
Price and availability	0.638	20.56	3.604	6
Green promotion	0.631	17.25	2.152	4

5.3 Hypothesis testing

H1: Consumers in general have a negative perception towards credibility of green marketing

A one-sample t-test was conducted to determine whether the perception of respondents was different to neutral, defined as a score of 3.0. This value on the Likert-scale indicates that respondents neither agree nor disagree with the statements. Mean score (3.40 ± 0.06) was found to be statistically higher than the neutral score of 3.0, $t(324)=12.458$, $p<0.005$. This result indicates that the consumers do not have a negative perception towards green marketing credibility but rather that consumers have a neutral perception of it. Detailed results of the t-test can be found in appendix 6. These findings do not support the hypothesis and therefore, the hypothesis 1 is rejected.

H2: There is a positive correlation between consumers' preference of eco-labelled cosmetic products and perception of marketing credibility

In order to check the relationship between consumers' preference of eco-labelled products and perception of marketing credibility, the variables were checked by using the Spearman's correlation. However, as can be seen from the table 7, no significant correlations between these were found. Hence, one cannot say that preferring eco-labelled or certified products would affect one's opinion about the trustworthiness of green marketing. Consequently, the evidence does not support the hypothesis so it is rejected.

Table 7. Spearman's correlation of marketing credibility and preferring products with eco-labels (n=325).

	Credibility	I choose green cosmetic products with eco-labels
Credibility	1,000	,094 Sig. ,089
I choose green cosmetic products with eco-labels	,094 Sig. ,089	1,000

H3: There is a positive correlation between consumers' preference of eco-brands and perception of marketing credibility

Correlation between consumers' preference of ecologic brands and perceived green marketing credibility was also examined using Spearman's correlation. Significant positive correlations were found between preference of ecological brands and perception of trustworthiness and honesty of the advertisement and environmental claims. Moreover, the variable was found to correlate positively with the perception that green cosmetic products can hold their promises and commitment. However, no significant correlation was found between preference of eco-brands and the essentiality of information green cosmetics advertisements provide. Nevertheless, due to the other positive correlations discovered, the hypothesis 3 can be accepted. The calculated correlation can be seen in table 8.

Table 8. Spearman's correlation of marketing credibility and preferring eco-brands

	Credibility	I prefer ecological brands over non-ecological ones
Credibility	1,000	,341** Sig. ,000
I prefer ecological brands over non-ecological ones	,314** Sig. ,000	1,000

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

H4: There is a relationship between availability and product involvement

Spearman's correlation was calculated for examining the fourth hypothesis. The consumer involvement level was measured based on various dimensions: interest, pleasure, risk

importance, probability of error and sign value. In order to explore the hypothesis, correlation between these dimensions and consumer's perception of product availability was calculated. Results of the analysis are presented in table 9. The analysis showed that the experienced availability was positively correlated with product involvement in terms of interest and pleasure value. Moreover, significant negative correlations were found between availability and risk importance, probability of error and sign values. Hence, the results can be generalized to say that there is a significant correlation between involvement and availability, which supports the hypothesis.

Table 9. Spearman's correlation coefficients of perceived product availability and product involvement (n=323-325)

	Green cosmetic products are easily available	
	Correlation Coefficient	Sig.
I really enjoy buying green cosmetics	,199**	,000
What cosmetics I purchase is extremely important to me	,130*	,019
It is very irritating to make mistakes when buying cosmetics	-,201**	,000
When I am in front of the cosmetic section, I always feel unsure about which one to choose	-,209**	,000
I can tell a lot about a person from the cosmetic he/she buys	-,138*	,013

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

* . Correlation is significant at the 0.05 level (2-tailed).

H5: Marketing mix elements and consumer values are correlated

Spearman's correlation was conducted also to study the relationships between marketing elements and consumer values. Results of the correlation are summarized in table 10. The analysis showed that both negative and positive correlations between the variables can be found. The found correlations were statistically significant at levels $p < 0.01$ and $p < 0.05$. However, green promotion factor was not correlated with buying green cosmetics because they give a good image of the person or because their positive effect on one's physical appearance. Likewise, credibility was not correlated with these variables. Also, price and availability was found not to be correlated with buying green cosmetic products because they

improve one's health. Nevertheless, as all the other variables were correlated it can be generalized that there is a relationship between marketing elements and consumer values. Hence, based on these results the hypothesis 5 can be accepted.

Table 10. Spearman's correlation coefficients of marketing elements and consumer values.

	I believe buying green cosmetic products gives a good image of me	I buy green cosmetic products because preserving the environment is important to me	I buy green cosmetic products because they improve my physical appearance	I buy green cosmetic products because they make waste disposal easier	I believe green cosmetic products are good for my health	Buying green products is insignificant for me because I do not believe individuals can make a difference
greenpromotion	-,174** Sig. ,002	,573** Sig. ,000	-,113* Sig. 0,42	,630** Sig. ,000	,258** Sig. ,000	-,326** Sig. ,000
priceavailaility	,332** Sig. ,000	-,207** Sig. ,000	,285** Sig. ,000	-,230** Sig. ,000	-,056 Sig. ,311	,224** Sig. ,000
greenproduct	-,034 Sig. ,538	,508** Sig. ,000	,093 Sig. ,094	,436** Sig. ,000	,398** Sig. ,000	-,396** Sig. ,000
credibility	,029 Sig. ,607	,303** Sig. ,00	-,026 Sig. ,636	,258** Sig. ,000	,203** Sig. ,000	-,172 Sig. ,002

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

* . Correlation is significant at the 0.05 level (2-tailed).

H6: Green consumer segments value marketing mix elements differently

In order to find out if the importance of marketing elements varies between groups a Kruskal-Wallis test was conducted. Results of the analysis are presented in table 11.

Table 11. Test statistics of Kruskal-Wallis test.

Factor/ Cluster (total n=325)	Cluster 1: Unconcerned, N=23	Cluster 2: Conventionals N=97	Cluster 3: Drifters, N=32	Cluster 4: Naturalites N=96	Cluster 5: Lohas N=77	
Green Product	mean rank= 62.43	mean rank= 158.67	mean rank= 101.33	mean rank= 146.05	mean rank= 245.25	$\chi^2(4)=$ 103.786, $p<0.001$
Price & Availability	mean rank= 155.91	mean rank= 169.76	mean rank= 178.94	mean rank= 204.60	mean rank= 98.11	$\chi^2(4)=$ 57.779, $p<0.001$
Green Promotion	mean rank= 42.37	mean rank= 171.10	mean rank= 115.25	mean rank= 151.02	mean rank= 223.61	$\chi^2(4)=$ 84.195, $p<0.001$
Credibility	mean rank= 119.96	mean rank= 162.06	mean rank= 121.58	mean rank= 156.79	mean rank= 201.99	$\chi^2(4)=$ 25.461, $p<0.001$

Statistically significant differences between all segments and factors were found ($\alpha=0.05$), as $\chi^2(4)=103.786$, $p<0.001$ for green product; $\chi^2(4)=57.779$, $p<0.001$ for price and availability; $\chi^2(4)=84.195$, $p<0.001$ for green promotion; and $\chi^2(4)=25.461$, $p<0.001$ for credibility.

When looking at the mean values and importance of factors by each segment, differences among how segments perceive the marketing factors could be discovered. Lohas segment (cluster 5) was found to be the most product conscious segment (mean rank 245.25) whereas Unconcerneds were the least (mean rank 62.43). Importance of the factor was found to be the second highest for Conventionals and third for Naturalites, although the difference of mean ranks is quite moderate. Price and availability factor was found to be the most significant among the Naturalites segment (mean rank 204.60) and the least within Lohas segment (98.11). Differences between the other three segments were discovered to be less prominent. Significance of the green promotion factor was found to be the largest among Lohas (223.61), Conventionals (171.10) and Naturalites (151.01). For Drifters, the importance of the factor was lower than the other three segments, but still notably higher than with Unconcerneds, which had a mean rank of only 42.37 for the factor. Lastly, credibility was also ranked highest among Lohas and lowest among Unconcerneds. The

results show that credibility is quite highly ranked among Conventional and Naturalites as well, whereas Drifters and Unconcerneds had the lowest mean ranks with only a moderate difference.

Based on these findings it can be concluded that there are differences on how the segments perceive marketing actions. Therefore, hypothesis 6 is supported by the evidence.

5.4 Summary of the research results

Table 12 presents a summary of the hypotheses whether they were supported or rejected.

Table 12. Summary of the results.

Hypothesis	Result
H1	Rejected
H2	Rejected
H3	Supported
H4	Supported
H5	Supported
H6	Supported

6 DISCUSSION AND CONCLUSIONS

This Master's thesis has studied the relationships between marketing mix, marketing credibility and consumer values. Purpose of the research was to retain deeper understanding of the characteristics of consumer perceptions towards green marketing of cosmetic products in Finland.

Data was collected during a one week period in August 2017 from consumers in Finland. The data was gathered through an online questionnaire which was provided on two separate Facebook groups focused on cosmetics, style and beauty. Altogether 325 responses were received during the period. Statistical methods were used for analyzing the results and retaining answers to the research questions. This chapter will firstly discuss the theoretical contributions of the findings followed by managerial implications. Furthermore, reliability and validity of the findings is assessed.

6.1 Theoretical contributions

This research focused on exploring consumer perceptions of green marketing and its connections with the marketing mix elements. Green cosmetic market was chosen as a specific research context due to the positive prevailing trend in the Finnish market (Teknokemian Yhdistys Ry 2017; Ristioja 2017, 16; 52). A substantial amount of research has been conducted both in regards of green marketing and consumer behavior across several product categories (e.g. Carrete et al. 2012; Chen 2007; Juwaheer et al. 2012; Rahbar & Wahid 2011). However, studies regarding the Finnish markets and especially cosmetic products are very limited. Therefore, this research is contributing to the previous research and increasing knowledge about consumers perceptions of green marketing in this specific context. Hence, it is filling in to the discovered research gap in the relationships between green marketing and cosmetic products.

Next, responses to the main research question as well as each sub-question are presented in relation to the previous theories. Whether these findings are supporting the theories and new discoveries made is also discussed. The main research question is discussed after the sub-

questions, as it requires integration of the different findings. Results are also summarized in table 14 at the end of the chapter. Managerial implications based on these findings are provided in the following chapter 6.3.

Sub-question 1: which marketing mix elements are perceived to be the most important by green consumer segments?

In order to find results for the first sub-question, the collected data needed to be divided to segments. Natural Marketing Institute identifies five different green consumer segments: Lohas, Naturalites, Drifters, Conventionals, and Unconcerneds. Chapter 5.3 shows how respondents of this research were divided according to the NMI's segmentation model. Moreover, the chapter also includes detailed descriptions of specific characteristics of each segment. Some differences between theory and discovered segments were found regarding their demographic attributes. However, demographic segmentation is only a secondary priority in the original NMI model as well (NMI 2008, 16) and therefore, these differences were accepted. According to the NMI (2008, 13) segmentation, Drifters form the largest segment whereas Unconcerneds is the smallest and the other segments are equal in size. Similar results were found in this empirical research as well. Furthermore, Wilska (2011, 202) found out that approximately 20% of the Finnish consumers were truly environmentally responsible. This research showed comparable results as the most environmentally cautious segment, Lohas, consisted of 23.7% of the respondents. However, even the least concerned group, Unconcerned, showed some environmental values even though their value structure was mostly defined by the health and appearance benefits.

When looking at the perceptions more thoroughly by each segment, it can be noted that they all value the marketing elements differently. The green product factor was perceived to be most important factor for the Lohas segment, which shows that the Lohas consumers are highly concerned of the actual green product qualities and promoted greenness of cosmetic products. However, price and availability is not as important to them which suggests that they do not affect Lohas consumers decision making as much as other elements. This is in line with the theory, which suggest that environmentally aware consumers are willing to pay more for green products if other desired qualities are met (Fonseca-Santos et al. 2015, 18;

Pudaruth et al. 2015, 188) Truly environmentally friendly consumers are also considering different product attributes such as ingredients carefully (Fonseca-Santos et al. 2015, 18)

Naturalites and Drifters were found to rank price and availability the highest. Nevertheless, the significance of the factors differed among the segments as the Naturalites segment felt more strongly about the factors. Thus, emphasizing this marketing element is likely to have more effect on the Naturalites segment than on Drifters. Moreover, theoretically Naturalites are price sensitive if the product is used for anything other than promoting personal health and Drifters merely want to convey an image that they are participating in the green movement (NMI 2008, 18; 21). Thus, it is reasonable that price and availability of the products is the most important marketing element for them, as they are ought to consider the price carefully before purchasing decision.

As for the Conventionals, green promotion factor was discovered to have one of the highest ranking. Hence, Conventionals pay more attention to what the products are projected to provide when making a purchase decision. Moreover, price and availability was found to be the second most important factor among Conventionals. Based on the theory, Conventionals are practical consumers who pay attention to functional value of the products and for instance recycling. They are financially practical and rather conservative consumers, so they are quite price sensitive as well. (NMI 2008, 13) Thus, the empirical findings of the Conventional segment emphasizing promotional elements and price and availability is supporting the previous theories.

Unconcerneds, were found to have the lowest rankings of most of the marketing elements. As they are not very environmentally concerned consumers (NMI 2008, 13), they are not likely to pay extra for the green qualities of the products or go through a lot of trouble to find green products. This is rather interesting finding as it was discovered that the Unconcerneds segment had the highest income level, so compared to the other groups they have the best financial potential to pay more for greener products. However, theoretically the findings were reasonable

These results provide further understanding of the importance of marketing elements among various consumer segments. The results were somewhat consistent with the theories related

to the consumer segments although some differences were discovered as well. Hence, these findings contribute to the already existing knowledge of green consumer behavior.

Sub-question 2: what is the nature of consumers' perception of the credibility of green marketing activities of cosmetic products?

The second sub-question was explored from various perspectives. Firstly, the study aimed to recognize the overall perception that the respondents have of green marketing credibility. This was studied by statistical analyses. Furthermore, based on the theoretical findings, relationship between preference of eco-labels or eco-brands and perception of marketing credibility was also one of the research interests.

When examining the overall perception of credibility amongst all respondents, it was discovered that consumers have a rather neutral perception of the green marketing credibility of cosmetic products. The t-test revealed that the mean value of answers was 3.4, which was not aligned with the assumption of negative perception. Thus, the findings were not consistent with previous literature, which suggests that consumers in general are expressing mistrust towards green marketing credibility (e.g. Charter et al. 2002, 26; Hunter 2014). On the segmentation level, consumers in Lohas, Conventionals and Naturalites segments have the most positive perceptions of marketing credibility while Drifters and Unconcerneds have the lowest.

The second viewpoint of marketing credibility was its connection with preference of eco-labels and eco-brands. This was examined by conducting correlation analyses between the factors. Preceding research suggests that third party verifications and reporting may increase consumer trust towards marketing (Schouten & Martin 2012, 191; Ottman 2011, 37) However, this empirical research supported the theory only partially, as it was found out that preferring eco-brands is positively correlated with perception of marketing credibility, whereas preferring eco-labels is not. Hence, consumers trust towards marketing claims increases and decreases according to their preference of eco-brands but it is not connected with their preference of eco-labels. Companies that have branded themselves or their products ecological are often the ones with the most authentic value-driven businesses, active sustainability programs and outstanding environmental performance in the industry

(Thomas & Pacheo 2014, 75). Thus, it is reasonable that if consumers recognize the benefits of eco-brands and prefer to use those products over non-ecologically branded products, they also trust the marketing claims. Vice versa, when consumers do not believe in the marketing claims they cannot be expected to prefer eco-brands over conventional products. Eco-certificates do not have the same kind of holistic approach to the green issues and they can even be misleading or difficult to understand (Ottman 2011, 37).

The extent of research regarding marketing credibility within the cosmetic product group in Finland is very limited, and thus these findings contribute to the research gap related to the topic. These results indicate that the previous research findings cannot be directly generalized to all green product categories.

Sub-question 3: what is the relationship between green marketing and functional, social and emotional consumer values?

Consumer perception of a product is partially based on the marketing stimuli, which is evaluated based on the needs and expectations of each consumer (Schiffman et al. 2012, 166). According to Zeithaml (1998, 13), price, product and the value for money consumers gain from products affects their value perception. Sheth et al. (1991, 161-163) propose that consumers are willing to make tradeoffs between values in order to receive more of a more relevant one. Thus, one of the aims of this study was to explore the relationship between marketing elements and consumer values to see if there is a connection between them. In order to study the relationship, correlations between these variables were calculated. The correlations coefficients showed that there were both positive and negative significant correlations among most of the marketing elements and value statements albeit relationships between some of them were not found at all. However, from the results one can conclude that the marketing elements and value perception are interrelated to some extent.

The results showed that functional values such as improved waste management and health effects of green cosmetic products had multiple positive connections with green marketing. There was a positive relationship between these values and green product, green promotion and credibility. However, both values showed slightly negative correlation with price and availability. Hence, the more consumers appreciate price and availability of cosmetic products the less they are committed to functional values.

In terms of social values like imposing a good image of oneself and improving physical appearance, positive correlations between values and price and availability of green cosmetic products was discovered. Thus, high importance of social values indicates that consumers are also highly influenced by the price and availability of the products and on the other way around. However, social values and green product were discovered to be negatively correlated. This shows that if a consumer puts a lot of emphasize on the social values they are not interested in the specific product elements.

Lastly, emotional values, which by definition are related to alternative's capacity to arouse feelings or affective states (Green & Peloza 2011, 50) were explored. When exploring the relationship between buying green cosmetic products due to the importance of preserving the environment, it was discovered that the value is positively correlated with green product and green promotion. Moreover, the value of environmentalism was negatively correlated with price and availability. On the other hand, statement "Buying green products is insignificant for me because I do not believe individuals can make a difference" was found to be positively correlated with price and availability but negatively with green product. These results propose that the higher the environmental commitment is, the less price and availability matters but the more important product and green promotion qualities are. This supports the theory, which suggests that purchasing instance environmentally friendly products arouses emotional values (Green & Peloza 2011, 50).

All in all, from these findings it can be concluded that green marketing elements and values are correlated, which should be kept in mind when planning a company's marketing efforts. The practical implications of these findings are discussed in chapter 6.3. As with the sub-question 1, these results contribute to the understanding of importance and effect of green marketing elements for consumers and their value structures.

Sub-question 4: what is the nature of product involvement within the green cosmetics product category?

Studying the level of involvement within a product category is important, as the information gathered can be used as an advantage in marketing planning. Involvement can stem from

multiple causes, as it is affected by the consumers' attitudes as well behavioral reasons. (Solomon et al. 2016, 211-214; Kapferer & Laurent 1986; Martin & Goodell 1991, 55). In this research, involvement was studied at the individual level to gain understanding of the generic nature of involvement within the green cosmetics product category.

Moreover, cosmetic products are considered to belong to the low-involvement product category, which means that consumers cannot identify significant differences between one product/brand and another and they are likely to switch between them. Low involvement products also involve low consumer risks. As there are plenty of substitutes available, consumers will not put a lot of time and effort on finding a certain product. (Saxena 2009, 149). Thus, it was assumed that product availability and product involvement are connected. The connection between the variables was studied by using Spearman's rank-order correlation, which revealed that all of the factors were correlated somehow. A positive correlation between pleasure and interest values with product availability was discovered. Those consumers who purchase cosmetic products because of their personal interest towards the product category and pleasure it can bring, also tend to have more positive perception of the availability of those products. However, risk importance, probability of error, and sign values were found to be negatively correlated with product availability.

Main research question: What are the characteristics of consumer perception of green marketing of cosmetic products among consumers in Finland?

The main goal of this research was to gain more insight of the overall consumer perceptions of green marketing of cosmetic products and how it is connected to consumer values. In order to find a comprehensive answer to the main research question, it is important to have a thorough understanding of the presented sub-problems. Based on the findings of the sub-questions, it is finally possible to conclude the main research problem.

Consumer perception of green marketing was found to be a complex concept depending on various attributes related to the consumers value structure. As it was stated in chapter 3.3, there are various frameworks available for describing the creation of value to consumers (e.g. Zeithaml 1998; Sheth et al. 1991; Green & Peloza 2011). Marketing mix should be adapted in a way that it creates the most value to the green consumers and increases their

purchase intentions. (Charter et al. 2002, 20). Moreover, it is argued that consumers can and should be segmented according to for instance their level of environmental commitment and set of personal values (Roper ASW 2002; Finisterra do Paço et al. 2009; NMI 2008). It is recommended that once a company identifies all the possible segments it would evaluate their attractiveness carefully and select the most suitable one. All the marketing efforts should be targeted to attract those chosen consumer segments. (Kotler & Armstrong 2010, 73) Thus, in this research consumers' perceptions of marketing elements was also studied based on segmentation. Analysis of the empirical findings also supported the theories, as segments were found to have differentiating views on marketing elements. In general, significance of marketing elements was found to be higher among the greener marketing segments and lower among the less environmentally cautious consumers. Thus, it can be concluded that consumers perception of green marketing of cosmetic products is dependent on which segment they belong to and should be adapted accordingly. Moreover, consumers were found to be indifferent about the marketing credibility of green cosmetic products but it is related to their preference of ecological brands.

Table 13. Summary of the key findings.

Research question	Key findings
What are the characteristics of consumer perception of green marketing of cosmetic products among consumers in Finland?	<ul style="list-style-type: none"> - Marketing elements are connected to consumer values - Different segments have differing views on marketing elements - Importance of marketing elements differ between consumer segments <ul style="list-style-type: none"> o In general importance of marketing elements is higher in greener segments
Sub-question 1: Which marketing elements are perceived to be the most important to consumers?	<ul style="list-style-type: none"> - Among all segments price and availability was the most important factor and green product the least important - By each factor <ul style="list-style-type: none"> o Green product: most significant among Lohas, least among Unconcerneds o Price & availability: most significant among Naturalites, least among Lohas o Green promotion: most significant among Lohas, least among Unconcerneds o Credibility: most significant among Lohas, least among Unconcerneds
Sub-question 2: What is the nature of consumers' perception of the credibility of green marketing activities of cosmetic products?	<ul style="list-style-type: none"> - Consumers have a neutral perception of the green marketing credibility in general - There is no relationship between consumers preference of eco-labels and their perception of marketing credibility - There is a positive correlation between consumers preference of eco-brands and marketing credibility - Perception of credibility among green segments: <ul style="list-style-type: none"> o Highest perceptions of credibility among Lohas, Conventionals and Naturalites segments o Lowest perceptions of credibility among Drifters and Unconcerneds segments
Sub-question 3: What is the relationship between green marketing and consumer values?	<ul style="list-style-type: none"> - Functional values: <ul style="list-style-type: none"> ▪ Waste management: positively correlated with other marketing elements but negatively with price and availability ▪ Health: positive correlations with other marketing elements but negative correlation with price and availability - Social values: <ul style="list-style-type: none"> ▪ Conveying good image of oneself: negatively correlated with green product and positively correlated with price and availability

	<ul style="list-style-type: none"> ▪ Improving physical appearance: positively correlated with price and availability but negatively with green product - Emotional values: <ul style="list-style-type: none"> ▪ Preserving the environment: positively correlated with green product, green promotion and credibility but negatively correlated with price and availability ▪ Individuals cannot make a difference: positive correlation with price and availability but negative correlation with green product
<p>Sub-question 4:</p> <p>What is the nature of product involvement within the green cosmetics product category?</p>	<ul style="list-style-type: none"> - Product availability and involvement are correlated <ul style="list-style-type: none"> ○ Interest value and product availability positively correlated ○ Risk importance, probability of error and sign values negatively correlated with product availability

6.2 Reliability and validity

Reliability and validity of the research must be determined in order to assess the credibility of the findings. Reliability refers to the extent to which the research procedure will lead to consistent results on all occasions. Important characteristics of reliability are also that other observers will reach similar results and that there is transparency in how the raw data was analyzed. There are several methods for assessing the reliability of findings such as Cronbach's alpha, test-retest, and alternate forms method. Moreover, check of reliability is conducted also by careful question wording and exposing the test instrument to pilot testing. (Saunders et al. 2009, 156, 374; Bell 2010, 119)

As for this study, it should be noted that it explores consumer perceptions which can be affected by social phenomena and trends and they are likely to change over time. Therefore, consumer perceptions may change as time passes. Regardless of this limitation, the study aims to provide sufficient information about the research so that the process and results can be evaluated. Furthermore, pilot testing and Cronbach's alphas were used in this study in

order to examine the extent of reliability. Results of the alpha calculations are presented in table 6 (chapter 5.2).

Validity on the other hand describes whether the findings are about what they seem to be. In other words, it tells if the test instrument is testing what it supposed to measure. Regarding quantitative survey research there are three types of validity: content, predictive, and construct validity. Content validity describes how well each measurement item is cover the question at hand. Its validity is based on subjective logic so absolute conclusions cannot be made. (Kumar 2011, 180) In this research, all measurement items used in the questionnaire were based on previous studies on similar topics, which increases content validity. Predictive validity refers to the extent in which the measurement item can predict the outcome. One way to assess predictive validity is using correlation analyses, which were also undertaken in this research. Lastly, construct validity describes how well the measurement items really measure the existence of the constructs they were supposed to measure. (Saunders et al. 2009, 373) This was assessed by using factor analysis, which confirmed the constructs of this research and each item's contribution to them.

6.3 Managerial implications

The managerial implications of this thesis are twofold, as they give recommendations related to the specific characteristics of consumers of green cosmetic products as well as how to create the most suitable marketing strategies for the products.

Firstly, it is recommended that managers pay attention to the discovered segmentation of potential customers of the green cosmetics market and focus only on the most promising ones. Naturalites, Conventionals and Lohas segments were found to be the largest consumer segments expressing high importance of similar values and thus, they appear to be very promising segments. As almost 60% of the consumers were identified as Naturalites or Conventional consumers, it is recommended that these would be primary target groups when planning a marketing strategy. Naturalites segment is usually considered as a great secondary target group after the Lohas-segment for green products. Conventionals segment on the other hand has the highest income level, so the segment has a lot of purchasing power. Moreover, the segments' value structures showed quite high commitment for instance to the

environmental and personal health. There is a lot of potential in these groups but harnessing that potential into purchasing decisions requires carefully planned and targeted marketing. Naturally, focusing on the Lohas segment is recommended as they are the greenest segment by nature and a significant group due to its large size. When targeting consumers in these segments, managers should keep in mind values that these groups appreciate: protecting the environment, preserving personal health and waste reduction. These characteristics of the products should be emphasized in all marketing activities.

Unfortunately, there is no single strategy that would guarantee success within all the segments. When targeting Naturalites, companies should stress price and availability of the cosmetic products. Price and availability was recognized as a priority for Conventionals as well, so this strategy will be appreciated by both segments. As consumers in these segments were found to have some of the lowest income levels, they are also price sensitive. Ensuring that the products are as easily available as possible in terms of distribution channels is also important. Hence, when targeting consumers in these segments the products could be marketed as lower- or mid-end cosmetic products that can be sold anywhere from supermarkets to cosmetic stores. On the other hand, Conventionals value green promotional activities more than Naturalites. In order to attract this segment, companies should pay attention to for instance promoting use of eco-labels or creating a holistic green brand image. Of all marketing elements, these segments put the least importance on product, so there is no need to waste a lot of resources on emphasizing the green product features and production methods. Lohas segment on the other hand could be attracted with a completely opposite marketing strategy: emphasize green product elements and leave less attention to price and availability. Lohas consumers are the most interested of how and where the products are produced. They are willing to pay more for them and are more inclined to search for the products that answer their needs. Hence, this segment could be attracted with truly green products sold through more limited distribution channels.

Secondly, positive correlation was found between product availability and involvement. Hence, these issues should be emphasized in the marketing activities as well. Consumers show interest towards the product category, so they should be provided with easily available, stimulating product information, which can guide them when making purchase decisions. Consumers showed neutral perception of the credibility of green marketing claims of

cosmetic products, which gives companies a great opportunity to switch these opinions towards more positive end of the scale. Since eco-brands were found to have a positive relationship with green marketing credibility, it is suggested that companies invest more resources on adapting green brand strategy. Hence, consumers would take the green claims more seriously and would not be as easily persuaded to choose a substitute product instead.

6.4 Limitations and future research

Next, limitations and suggestions for future research are discussed. First limitation is that the empirical research was created as a cross-sectional study and should be treated as such. Trends in the cosmetic industry change constantly and thus, people's opinions about certain topics might also change accordingly. The findings can be considered as a generalization projecting the current situation but a longitudinal study could provide more information about how constant the presented perceptions are. Moreover, as the data was collected through self-selection sampling, this might have been posed some limitations to the generalizability of the results. It is likely that those with no personal interest towards the topic chose not to participate, which might have affected the results. However, in order to minimize this problem, it was checked that the sample included people with different demographic backgrounds. Future research could aim to include also those opinions who are currently not involved with the topic.

Moreover, this study explored all possible products in the green product category, instead of some specific product groups such as green shampoos or green color cosmetics. This approach was adapted in order to guarantee an adequate sample size, as it might have proven too difficult to find enough respondents regarding just some certain product group within a reasonable period of time. Respondents were provided examples of the product categories considered in this research so the results can be generalized regarding those. However, it cannot be guaranteed that the results are generalizable to some other specific product groups. Hence, research regarding particular product groups is suggested in order to find more detailed information regarding those.

In addition, findings regarding the green marketing credibility offer some topics for future research. Results of this study showed a connection between eco-brands and marketing

credibility but none between eco-labels and credibility. Therefore, more research regarding the connection between eco-brands, eco-labels and credibility is needed to gain deeper insight of the underlying reasons what affects the relationships. Moreover, based on previous literature it was assumed that consumers would be cynical about green marketing credibility in general but this was proven wrong assumption. Future research could focus on establishing a better understanding what influences consumer perception of marketing credibility in the cosmetic context.

REFERENCES

- Abrantes Ferreira, D., Gonçalves Avila, M., & Dias de Faria, M. (2010) Corporate social responsibility and consumers' perception of price. *Social Responsibility Journal*, vol. 6 (2), pp.208-221.
- AMA (2017a). Dictionary. American Marketing Association. [Online document]. [Accessed 9 November 2016]. Available: <https://www.ama.org/resources/Pages/Dictionary.aspx?dLetter=G&dLetter=G>
- AMA (2017b). Dictionary. American Marketing Association [Online document]. [Accessed 9 November 2016]. Available: <https://www.ama.org/resources/Pages/Dictionary.aspx?dLetter=M>
- Armstrong, G. & Kotler, P. (2009). *Marketing: An Introduction*. 9th ed. Upper Saddle River, New Jersey: Pearson Education Limited.
- Bell, J. (2010). *Doing Your Research Project*. 5th ed. Maidenhead: Open University Press.
- Bergström, S. & Leppänen A. (2007). *Markkinoinnin maailma*. 8th ed. Helsinki: Edita Prima Oy
- Bergström, S. & Leppänen, A. (2015). *Yrityksen asiakasmarkkinointi*. 16th ed. Helsinki: Edita.
- Bleda, M. & Valente, M. (2009). Graded eco-labels: A demand-oriented approach to reduce pollution. *Technological Forecasting & Social Change*, vol. 76 (4), pp. 512-524.
- Boström, M. & Klintman, M. (2008). *Eco-Standards, Product Labelling and Green Consumerism*. Houndmills: Palgrave Macmillan.
- Brown, J. D. (2009). Choosing the Right Type of Rotation in PCA and EFA. *Shiken: JALT Testing & Evaluation SIG Newsletter*, vol. 13 (3), pp. 20-25.
- Carrete, L., Castano, R., Felix, R., Centeno, R., & Gonzalez, E. (2012). Green consumer behavior in an emerging economy: confusion, credibility, and compatibility. *Journal of consumer marketing*, Vol. 20 (7), 470-481.
- Chan, R. Y. K. (2004). Consumer Responses to Environmental Advertising in China. *Marketing Intelligence and Planning*, vol. 22 (4), pp. 427–437.

- Chang, C. (2011). Feeling Ambivalent About Going Green. *Journal of Advertising*, 40 (4), pp. 19-32.
- Charter, M., Peattie, K., Ottman, J. & Polonsky, M. J. (2002). Marketing and Sustainability. [online document]. [Accessed 17 October 2017]. Available: <http://www.cfsd.org.uk/smart-know-net/smart-know-net.pdf>
- Chen, M-F. (2007). Consumer attitudes and purchase intentions in relation to organic foods in Taiwan: Moderating effects of food-related personality traits. *Food Quality and Preference*, vol. 18 (7), pp. 1008-1021.
- Chen, Y. & Chang, C. (2013). Greenwash and Green Trust: The Mediation Effects of Green Consumer Confusion and Green Perceived Risk. *Journal of Business Ethics*, vol. 81 (3), pp. 531-543.
- Churchill, G. A. Jr (1979). A paradigm for developing better measures of marketing constructs. *Journal of Marketing Research*, vol. 16 (1), pp. 64-73.
- Cosmetics Europe (2017). The Basics. [Online]. [Accessed 3 March 2017]. Available: <https://www.cosmeticseurope.eu/cosmetic-products/>
- Creswell, J., (1994). *Research Design: Qualitative & Quantitative Approaches*. 1st ed. Thousand Oaks, California: SAGE Publications, Inc.
- D'Souza, C., Taghian, M. & Lamb, P. (2006). An empirical study on the influence of environmental labels on consumers. *Corporate Communications: An International Journal*, vol. 11 (2), pp. 162-173.
- Ecocert SA (2017). Natural and organic cosmetics. [Online document]. [Accessed 7 March 2017]. Available: <http://www.ecocert.com/en/natural-and-organic-cosmetics>
- Elkington, J. & Hailes, J. (1991). *Vihreän kuluttajan opas: valitse ja vaikuta*. Porvoo: WSOY.
- Finisterra do Paço, A., Barata Raposo, M. & Filho, W. (2009). Identifying the green consumers: A segmentation study. *Journal of Targeting, Measurement and Analysis for Marketing*, vol. 17 (1), pp. 17-25.

- Fonseca-Santos, B., Corrêa, M. A. & Chorilli, M. (2015). Sustainability, natural and organic cosmetics: consumer, products, efficacy, toxicological and regulatory considerations. *Brazilian Journal of Pharmaceutical Sciences*, vol. 51 (1), pp. 17-26.
- Furlow, N. E. (2010). Greenwashing in the New Millennium. *The Journal of Applied Business and Economics*, vol. 10 (6), pp. 22-25.
- Ginsberg, J., Bloom, P. (2004). Choosing the Right Green-Marketing Strategy. *MIT Sloan Management Review*, vol. 46 (1), pp. 79-84.
- Govindan, K., Rajendran, S., Sarkis, J. & Murugesan, P. (2013). Multi criteria decision making approaches for green supplier evaluation and selection: a literature review. *Journal of Cleaner Production*, vol. 98 (1), pp. 66-83.
- Grant. J. (2008). *The Green Marketing Manifesto*. Chichester: John Wiley & Sons Ltd.
- Green, T., & Peloza, J. (2011). How Does Corporate Social Responsibility Create Value for Consumers? *Journal of Consumer Marketing*, vol. 28 (1), pp. 48- 56.
- Guthrie, M. F. & Kim, H. (2009). The relationship between consumer involvement and brand perceptions of female cosmetic consumers. *Journal of Brand Management*, vol. 17 (2), pp. 114-133.
- Hartmann, P., Apaolaza Ibáñez, V. A. (2006). Green Value Added. *Marketing Intelligence & Planning*, vol. 24 (7), pp. 673 – 680.
- Hartmann, P., Apaolaza Ibáñez, V. A., Forcada Sainz, F. J. (2005). Green branding effects on attitude: functional versus emotional positioning strategies. *Marketing Intelligence & Planning*, vol. 23 (1), pp. 9-29.
- Heikkilä, T. (2014a). *Tilastollinen tutkimus*. 9th ed. Helsinki: Edita Publishing Oy.
- Heikkilä, T. (2014b). *Faktorianalyysi*. [Online document]. [Accessed 24 October 2017]. Available: <http://www.tilastollinentutkimus.fi/5.SPSS/Faktorianalyysi.pdf>.
- Hollensen, S. (2010). *Marketing Management: a relationship approach*. 2nd ed. Harlow: Pearson Education Limited.

- Håkansson, H. & Waluszewski, A. (2005). Developing a new understanding of markets: reinterpreting the 4Ps. *Journal of Business & Industrial Marketing*, vol. 20 (3), pp. 110-117.
- Insch, A. (2011). Conceptualization and anatomy of green destination brands. *International Journal of Culture, Tourism and Hospitality Research*, vol. 5 (3), pp. 282-290.
- Jahn, G., Schramm, M. & Spiller, A. (2005). The Reliability of Certification: Quality Labels as a Consumer Policy Tool. *Journal of Consumer Policy*, vol. 28 (1), pp. 53-73.
- Jain, S. K. & Kaur, G. (2006) Role of Socio-Demographics in Segmenting and Profiling Green Consumers, *Journal of International Consumer Marketing*, vol. 18 (3), pp. 107-146.
- Jean-Vasile, A. & Nicolò, D. (2017). Sustainable Entrepreneurship and Investments in the Green Economy. Hershey, Pennsylvania: IGI Global.
- Johnstone, M-L. & Tan, L. P. (2015). Exploring the Gap Between Consumers' Green Rhetoric and Purchasing Behaviour. *Journal of Business Ethics*, vol. 132 (2), pp. 311-328.
- Joshi, Y. & Rahman, Z. (2015). Factors Affecting Green Purchase Behavior and Future Research Directions. *International Strategic Management Review*, vol. 3 (1-2), pp. 128-143.
- Juwaheer, T. D., Pudaruth, S., Noyaux, M. M. E. (2012). Analysing the impact of green marketing strategies on consumer purchasing behavior in Mauritius. *World Journal of Entrepreneurship, Management and Sustainable Development*, vol. 8 (1), pp. 36-59.
- Kapferer, J-N., Laurent, G. (1986). Consumer Involvement Profiles: A New Practical Approach to Consumer Involvement. *Journal of Advertising Research*, vol. 25 (6), pp. 48-56.
- Kassaye, W. W. (2001). Green dilemma. *Marketing Intelligence & Planning*, vol. 19 (6), pp.444-455.
- Keller, K. L. (1993). Conceptualizing, measuring, and managing customer-based brand equity. *Journal of Marketing*, vol. 57 (1), pp. 1-22.

- Khraim, H. S. (2011). The Influence of Brand Loyalty on Cosmetics Buying Behavior of UAE Female Consumers. *International Journal of Marketing Studies*, vol. 3 (2), pp. 123-133.
- Kim, C., Zhao, W. & Yang, K.H. (2008). An Empirical Study on the Integrated Framework of e-CRM in Online Shopping: Evaluating the Relationships Among Perceived Value, Satisfaction, and Trust Based on Customers' Perspectives. *Journal of Electronic Commerce in Organizations*, vol. 6 (3), pp. 1-19.
- Kotler, P. & Armstrong, G. (2010). *Principles of Marketing*. 13th ed. Upper Saddle River, New Jersey: Pearson Prentice Hall.
- Kotler, P. (2011). Reinventing Marketing to Manage the Environmental Imperative. *Journal of Marketing*, vol. 75 (4), pp. 132-135.
- Kumar, R. (2011). *Research Methodology: a step-by-step guide for beginners*. 3rd ed. Los Angeles: SAGE Publications Ltd.
- Lai, A. W. (1995). Consumer Values, Product Benefits and Customer Value: A Consumption Behavior Approach. *Advances in Consumer Research*, vol. 22, pp. 381-388.
- Lampe, M. & Gazda, G. M. (1995). Green Marketing in Europe and the United States: an Evolving Business and Society Interface. *International Business Review*, vol. 4 (3), pp. 295-312.
- Lovelock C., Wirtz, J. (2011). *Services Marketing: People, Technology, Strategy*. 7th ed. Harlow: Pearson Education Limited.
- Martin, C. L. & Goodell, P. W. (1991). Historical, Descriptive and Strategic Perspectives on the Construct of Product Commitment. *European Journal of Marketing*, vol. 25 (1), pp. 53-60.
- Mendleson, N. & Polonsky, M. J. (1995). Using strategic alliances to develop credible green marketing. *Journal of Consumer Marketing*, vol. 12 (2), pp. 4-18.
- Moore, K. & Pareek, N. (2010). *Marketing: the Basics*. Abingdon: Routledge.
- NMI (2017). NMI's Sustainability Segmentation. Natural Marketing Institute. [Online document]. [Accessed 6 June 2017]. Available:

<http://www.nmisolutions.com/index.php/syndicated-data/segmentation-algorithms-a-panels/lohas-segmentation>

NMI (2008). Understanding the LOHAS Market™ Report. Natural Marketing Institute. [Online document]. [Accessed 24 October 2017]. Available: http://www.lohas.se/wp-content/uploads/2015/07/Understanding-the-LOHAS-Consumer-11_LOHAS_Whole_Foods_Version.pdf

Ndungu, S. K. (2013). Consumer Survey of Attitudes and Preferences Towards Organic Products in East Africa. [Online document]. [Accessed 25 October 2017]. Available: http://www.ifoam.bio/sites/default/files/page/files/osea_ii_consumer_survey_final.pdf

Newell, S. J. & Goldsmith, R. E. (2001). The development of a scale to measure perceived corporate credibility. *Journal of Business Research*, vol. 52 (3), pp. 235-247.

Nordic Ecolabelling (2017). Nordic Ecolabelling of Cosmetic Products. [Online document]. [Accessed 7 March 2017]. Available: http://joutsenmerkki.fi/wp-content/uploads/2017/02/090e_2_13_CD.pdf

Orsato, R. J. (2009). Sustainability Strategies: When Does it Pay to Be Green? Basingstoke: Palgrave Macmillan.

Ottman, J. A. (2011). The New Rules of Green Marketing: Strategies, Tools, and Inspiration for Sustainable Branding. San Francisco, California: Greenleaf Publishing Limited.

Ottman, J. A., Stafford, E. R. & Hartman, C. L. (2006). Avoiding Green Marketing Myopia: Ways to Improve Consumer Appeal for Environmentally Preferable Products. *Environment: Science and Policy for Sustainable Development*, vol. 48 (5), pp. 22-36.

Peattie, K. (1995). Environmental marketing management: meeting the green challenge. London: Pitman.

Peattie, K. (2001). Golden goose or wild Goose? The hunt for the Green consumer. *Business Strategy and the Environment*, vol. 10 (4), pp. 187-199.

Peattie, K. & Charter, M. (1999). Green Marketing, in Baker, M.J. (ed.) The Marketing Book. Oxford: Butterworth-Heinemann.

- Peattie, K. & Crane A., (2005). Green marketing: legend, myth, farce or prophesy?. *Qualitative Market Research: An International Journal*, vol. 8 (4), pp. 354-370.
- Pedersen, E. R. & Neergaard, P. (2006). Caveat Emptor – Let the Buyer Beware! Environmental Labelling and the Limitations of ‘Green’ Consumerism. *Business Strategy and the Environment*, vol. 15 (1), pp. 15-29.
- Peloza, J., & Shang, J. (2010). How Can Corporate Social Responsibility Activities Create Value for Stakeholders? A Systematic Review. *Journal of the Academic Marketing Sciences*, vol. 39 (1), pp. 117-135.
- Polonsky, M. J. (1994). An Introduction to Green Marketing. *Electronic Green Journal*, vol. 1 (2), pp. 1-10.
- Polonsky, M. J. (2011). Transformative green marketing: Impediments and opportunities. *Journal of Business Research*, vol. 64 (12), pp. 1311-1319.
- Pro luonnonkosmetiikka Ry (2016). Mistä tunnistaa aidon luonnonkosmetiikan? [Online document]. [Accessed 25 October 2017]. Available: <http://www.luonnonkosmetiikka.fi/luonnonkosmetiikka/mita-on-luonnonkosmetiikka/>
- Pudaruth, S., Juwaheer, T. D., & Seewoo, Y. D. (2015). Gender-based differences in understanding the purchasing patterns of eco-friendly cosmetics and beauty care products in Mauritius: a study of female customers. *Social Responsibility Journal*, vol. 11 (1), pp. 198-179.
- Rahbar, E. & Wahid, N. A. (2011). Investigation of green marketing tools’ effect on consumers’ purchase behavior. *Business Strategy Series*, vol. 12 (2), pp. 73-83.
- Rao, P. (2002). Greening the supply chain: a new initiative in South East Asia. *International Journal of Operations & Production Management*, vol. 22 (6), pp. 632-655.
- Ravald, A. & Grönroos, C. (1996). The value concept and relationship marketing. *European Journal of Marketing*, vol. 30 (2), pp. 19-30.
- Rettie, R., Burchell, K. & Riley, D. (2012). Normalising green behaviours: A new approach to sustainability marketing. *Journal of Marketing Management*, vol. 28 (3-4), pp. 420-444.

- Rex, E. & Baumann, H. (2006). Beyond ecolabels: what green marketing can learn from conventional marketing. *Journal of Cleaner Production*, vol. 15 (6), pp. 567-576.
- Ristioja, A., 2017. *Luonnontuoteala*, Helsinki: Työ- ja elinkeinoministeriö.
- Roper ASW (2002). Green Gauge Report 2002. New York: Roper ASW.
- Saunders, M., Lewis, P. & Thornhill, A. (2009). Research methods for business students. 5th ed. Harlow: Pearson Education Limited.
- Saxena, R. (2009). Marketing Management. 4th ed. New Delhi: Tata McGraw Hill Education Private Limited.
- Saxena, S. (2015). Are they Really Green: Flipping the Second Side of Green Marketing Coin - A Critical Analysis Using Selected Cases? *Amity Global Business Review*, vol. 10, pp. 110-113.
- Schiffman, L. G., Kanuk, L. L. & Håvard, H. (2012). Consumer Behaviour: A European Outlook. 2nd ed. Harlow: Pearson Education Limited.
- Scholderer, J. (2010). Consumer Behaviour: A Nordic Perspective. (ed. Ekström, K. M.) Hungary: Elanders Hungary Kft.
- Schouten, D. & Martin, J. (2012). Sustainable Marketing. 1st ed. Upper Saddle River, New Jersey: Pearson Prentice Hall.
- Sheth, J. N., Newman, B. I., & Gross, B. L. (1991). Why We Buy What We Buy: A Theory of Consumption Values. *Journal of Business Ethics*, vol. 22 (2), pp. 159- 170.
- Shrum, L. J., McCarty, J. A. & Lowrey, T. M. (1995). Buyer Characteristics of the Green Consumer and Their Implications for Advertising Strategy. *Journal of Advertising*, vol. 24 (2), pp. 71-82.
- Solomon, M. R. (2011). Consumer Behavior: Buying, Having, and Being. 9th ed. Harlow: Pearson Education Limited.
- Solomon, M. R., Bamossy, G. J., Askegaard, S. T. & Hogg, M. K. (2016). Consumer behaviour: A European perspective. 6th ed. Harlow: Pearson Education Limited.
- Solomon, M. R., Hughes, A., Chitty, B., Marshall, G.W. & Stuart, E. (2013). Marketing: Real people, Real Choices. 3rd ed. Frenchs Forest NSW: Pearson Australia.

Suvattanadilok, M. (2014). Skin Whitening Products Purchasing Intention Analysis. *Research Journal of Business Management*, vol. 8 (1), pp. 28-42.

Teknokemian Yhdistys Ry (2017). Teknokemian markkinat 2015. [Online document]. [Accessed 3 March 2017]. Available:

http://www.teknokemia.fi/fin/teknokemian_yhdistys/tilastotietoa/kotimaan_myyntitilastot/

Thøgersen, J. (2011). Green Shopping: For Selfish Reasons or the Common Good? *The American Behavioral Scientist*; vol. 55 (8), p. 1052-1076.

Thomas, J., Pacheo, D. (2014). Green marketing: a strategic balancing act for creating value. *Journal of Business Strategy*, vol. 35 (5), pp. 14-22.

Timothy, A.P., Yazdanifard, R. (2014). Can Green Marketing Play as a Competitive Advantage for Multinational Enterprise in New Economy. *Global Journal of Human-Social Science Research* vol.14 (7), pp. 45-49.

UNEP (2005). Talk the Walk: Advancing Sustainable Lifestyles through Marketing and Communications. United Nations Environment Programme. [Online document]. [Accessed 26 January 2017]. Available: <http://www.unep.fr/shared/publications/pdf/DTIx0763xPA-TalkWalk.pdf>

Vaaland, T. I, Heide, M., Grønhaug, K. (2008). Corporate social responsibility: investigating theory and research in the marketing context. *European Journal of Marketing*, vol. 42 (9), pp. 927-953.

Vahvaselkä, I. (2009). *Kansainvälinen liiketoiminta ja markkinointi*. Helsinki: Edita Prima Oy.

Vermillion, L. J. & Peart, J. (2010). Green marketing: making sense of the situation. *Allied Academies International Conference: Proceedings of the Academy of Marketing Studies*. vol. 15 (1), pp. 68-72.

Wagner, S. A. (2003). *Understanding Green Consumer Behaviour: A Qualitative Cognitive Approach*. London: Routledge.

Warrington, P. & Shim, S. (2000). An Empirical Investigation of the Relationship between Product Involvement and Brand Commitment. *Psychology & Marketing*, vol. 17 (9), pp. 761-782.

Wilska, T-A. (2011). Vastuullisuus yksityisen kuluttajan näkökulmasta. In *Vastuullinen liiketoiminta kansainvälisessä maailmassa* by Joutsenvirta M., Halme, M., Jalas, M. & Mäkinen, J. (ed.). Helsinki: Gaudeamus Helsinki University Press 2011.

Yanagida, T., Rasch, D., Kubinger, K. D. & Schneider, B. (2017) Robustness of the test of a product moment correlation coefficient under nonnormality. *Journal of Statistical Theory and Practice*, vol. 11 (3), pp. 493-502.

Yeon Kim, H. & Chung, J. (2011). Consumer purchase intention for organic personal care products. *Journal of Consumer Marketing*, vol. 28 (1), pp. 40-47.

Yong, A. G. & Pearce, S. (2013). A Beginner's Guide to Factor Analysis: Focusing on Exploratory Factor Analysis. *Tutorials in Quantitative Methods for Psychology*, vol. 9 (2). pp. 79-94.

Zaichkowsky, J. L. (1985). Measuring the involvement construct in marketing. *Journal of Consumer Research*, vol. 12, pp. 341–52.

Zeithaml, V. (1988), Consumer perceptions of price, quality, and value: a means-end model and synthesis of evidence, *Journal of Marketing*, vol. 52 (3), pp. 2-22.

APPENDICES

Appendix 1. Questionnaire.

Dear respondent! I am a marketing student at Lappeenranta University of Technology (LUT), currently writing my Master's thesis. In my thesis, I study the relationships between different green marketing actions and consumer value creation of cosmetic products. Results of this survey will be used as the basis for the research and therefore, I would greatly appreciate if you would take approximately 5-10 minutes to complete the survey. All data and information collected will be handled anonymously and used only for the purposes of this research. Hence, I wish you will answer honestly and state your true opinion about the matters.

In this survey, cosmetic products refer to all of the following items:

- Cosmetics (make-up, nailpolish etc.)
- Deodorants
- Fragrances
- Haircare (shampoo, conditioner, hairspray etc.)
- Skincare (facial creams, body lotions etc.)
- Soap and bath products

Thank you for your participation!

Marketing mix

Please choose the most appropriate response

I choose green cosmetic products because of the natural ingredients *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

I choose cosmetic products which are free from animal testing *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

I choose cosmetic products with environmentally friendly packaging and materials *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

Color and smell of cosmetic products affect my purchasing decision *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

I choose green cosmetic products based on their affordability and price *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

I am willing to pay more for cosmetic products that are produced and processed in a sustainable way *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

Price level of green cosmetic products is too high *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

Green cosmetic products bring value for money *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

I am willing to shop at more than one place to take advantage of low prices *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

Green cosmetic products are easily available *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

I would like to find green cosmetic products in my local store *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

Green cosmetic products have sufficient product range *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

I choose cosmetic products which promote social responsibility of cosmetic product dealers *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

I choose cosmetic products that promote environmental supply chains *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

Marketing information on green claims influence my choice for cosmetics products *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

Sales promotions and discounts influence my purchasing decision of green cosmetic products *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

Shelf display influences my choice for cosmetic products *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

I choose green cosmetic products with eco-labels/certificates *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

I prefer ecological brands over non-ecological ones *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

Marketing credibility

Please choose the most appropriate response

Environmental claims of green cosmetic products are generally trustworthy *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

Advertisements of green cosmetics are honest *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

Most green cosmetic advertisements provide consumers with essential information *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

Green cosmetics keep promises and commitments to environmental protection *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

BACK

NEXT

Values and perception

Please choose the most appropriate response

I really enjoy buying green cosmetic products *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

What cosmetic products I purchase is extremely important to me *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

It is very irritating to make mistakes when buying cosmetics *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

When I am in front of the cosmetics section, I always feel unsure about which one to choose *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

I can tell a lot about a person from the cosmetic products he/she buys *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

I believe buying green cosmetic products gives a good image of me *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

I buy green cosmetic products because preserving the environment is important to me *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

I buy green cosmetic products because they improve my physical appearance *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

I buy green cosmetic products because they make waste disposal easier *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

I believe green cosmetic products are good for my health *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

Buying green products is insignificant for me because I do not believe individuals can make a difference *

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	Strongly agree				

BACK

NEXT

Background information

Gender *

Choose ▼

Age *

Choose ▼

Education *

Choose ▼

Gross income (€ / year) *

Choose ▼

BACK

SUBMIT

Questionnaire in Finnish

Hyvä vastaaja! Olen markkinoinnin opiskelija Lappeenrannan teknillisessä yliopistossa ja kirjoitan loppuyötäni. Työni tarkoitus on tutkia yhteyksiä erilaisten ympäristömarkkinoinnin keinojen ja asiakkaan arvomuodostuksen väliillä kosmetiikkatuotteiden valinnassa. Tämän kyselyn tuloksia käytetään tutkimuksessani minkä vuoksi toivoisinkin, että vastaisit mahdollisimman rehellisesti ja todellisen mielipiteesi mukaisesti. Kyselyyn vastaaminen kestää noin 5-10 minuuttia. Kyselyn vastauksia ja kerättyä tietoa käsitellään täysin anonyymisti ja käytetään ainoastaan loppuyössäni.

Tässä tutkimuksessa kosmetiikkatuotteilla viitataan esimerkiksi kaikkiin seuraaviin tuoteryhmiin:

- Värikosmetiikka (meikit, kynsilakat yms.)
- Deodorantit
- Hajusteet
- Hiustenhoitotuotteet (shampoot, hoitoaineet jne.)
- Ihonhoito (kasvovoiteet, kosteusvoiteet jne.)
- Suihku- ja kylpytuotteet (saippuat yms.)

Kiitos jo etukäteen vastauksistasi!

NEXT

Markkinointimix

Valitse parhaiten mieltäsi kuvaava vaihtoehto

Ostan luonnonkosmetiikkaa tuotteiden luonnollisten ainesosien vuoksi *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Ostan kosmetiikkatuotteita joiden tuotannossa ei ole käytetty eläinkokeita *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Ostan kosmetiikkatuotteita, joissa on käytetty ympäristöystävällisiä pakkausmateriaaleja *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Kosmetiikkatuotteiden väri ja haju vaikuttavat ostopäätökseeni *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Ostan kosmetiikkatuotteita houkuttelevien pakkauksien ja pakkausmerkintöjen vuoksi *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Ostan kosmetiikkatuotteita niiden edullisuuden ja hinnan perusteella *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Olen valmis maksamaan enemmän kosmetiikkatuotteista, jotka on tuotettu ja käsitelty ympäristöystävällisesti *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Luonnonkosmetiikkatuotteiden hintataso on liian korkea *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Luonnonkosmetiikkatuotteet tuovat vastinetta rahoille *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Olen valmis asioimaan useammassa kuin yhdessä paikassa hyötyäkseni matalista hinnoista *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Luonnonkosmetiikkatuotteita on helposti saatavilla *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Haluaisin löytää luonnonkosmetiikkatuotteita lähikaupastani *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Luonnonkosmetiikan tuotevalikoima on riittävä *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Valitsen kosmetiikkatuotteita, jotka edistävät kosmetiikkavalmistajien sosiaalista vastuuta *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Valitsen kosmetiikkatuotteita, jotka edistävät ympäristöystävällisiä toimitusketjuja *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Tuotteiden markkinoitu luonnonmukaisuus vaikuttaa kosmetiikkatuotteideni valintaan *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Tarjoukset ja alennukset vaikuttavat luonnonkosmetiikkatuotteiden ostopäätökseeni *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Tuotteiden näkyvyys hyllyssä vaikuttaa kosmetiikkatuotteiden ostopäätökseeni *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Valitsen luonnonkosmetiikkatuotteita ympäristömerkkien/-sertifikaattien vuoksi *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Suosin ympäristöystävällisiä brändejä ei-ympäristöystävällisten sijaan *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

BACK

NEXT

Markkinoinnin luotettavuus

Valitse parhaiten mielipidettäsi kuvaava vaihtoehto

Luonnonkosmetiikkatuotteiden ympäristövaihteet ovat yleensä luotettavia *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Luonnonkosmetiikkatuotteiden mainokset ovat rehellisiä *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Useimmat luonnonkosmetiikkatuotteiden mainokset tarjoavat kuluttajille olennaista tietoa *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Luonnonkosmetiikkatuotteet pitävät lupauksensa ympäristön suojelusta *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

BACK

NEXT

Arvot ja näkemykset

Valitse parhaiten mielipidettäsi kuvaava vaihtoehto

Nautin luonnonkosmetiikkatuotteiden ostamisesta *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Sillä, mitä kosmetiikkatuotteita ostan on suuri merkitys minulle *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

On erittäin harmittavaa tehdä virheitä kosmetiikkaostoksissa *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Kun olen kosmetiikkaostoksilla, tunnen itseni aina epävarmaksi valintojeni suhteen *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Voin päätellä paljon henkilöstä hänen tekemiensä kosmetiikkaostosten perusteella *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Uskon, että luonnonkosmetiikan ostaminen antaa minusta hyvän kuvan *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Ostan luonnonkosmetiikkaa koska ympäristön suojeleminen on minulle tärkeää *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Ostan luonnonkosmetiikkatuotteita koska ne parantavat ulkonäköäni *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Ostan luonnonkosmetiikkatuotteita koska ne tekevät jätteiden käsittelystä helpompaa *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Uskon, että luonnonkosmetiikkatuotteet ovat hyväksi terveydelleni *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

Luonnonmukaisten tuotteiden ostaminen on minulle yhdentekevää, sillä en usko, että yksilöt voivat vaikuttaa asioihin *

	1	2	3	4	5	
Täysin eri mieltä	<input type="radio"/>	Täysin samaa mieltä				

BACK

NEXT

Taustatiedot

Sukupuoli *

Choose ▼

Ikä *

Choose ▼

Koulutus *

Choose ▼

Bruttotulot (€/vuosi) *

Choose ▼

BACK

SUBMIT

Appendix 2. Normal distributions of variables.

	Kolmogorov-Smirnov ^a		
	Statistic	df	Sig.
I choose green cosmetic products because of the natural ingredients	,444	323	,000
I choose cosmetic products which are free from animal testing	,357	323	,000
I choose cosmetic products with environmentally friendly packaging and materials	,209	323	,000
Color and smell of cosmetic products affect my purchasing decision	,194	323	,000
I choose cosmetic products with attractive packaging and labelling	,238	323	,000
I choose green cosmetic products based on their affordability and price	,221	323	,000
I am willing to pay more for cosmetic products that are produced and processed in a sustainable way	,302	323	,000
Price level of green cosmetic products is too high	,202	323	,000
Green cosmetic products bring value for money	,248	323	,000
I am willing to shop at more than one place to take advantage of low prices	,196	323	,000
Green cosmetic products are easily available	,307	323	,000
I would like to find green cosmetic products in my nearby store	,324	323	,000
Green cosmetic products have sufficient product range	,185	323	,000
I choose cosmetic products which promote social responsibility of cosmetic product dealers	,264	323	,000
I choose cosmetic products that promote environmental supply chains	,197	323	,000
Marketing information on green claims influence my choice for cosmetics products	,302	323	,000
Sales promotions and discounts influence my	,189	323	,000

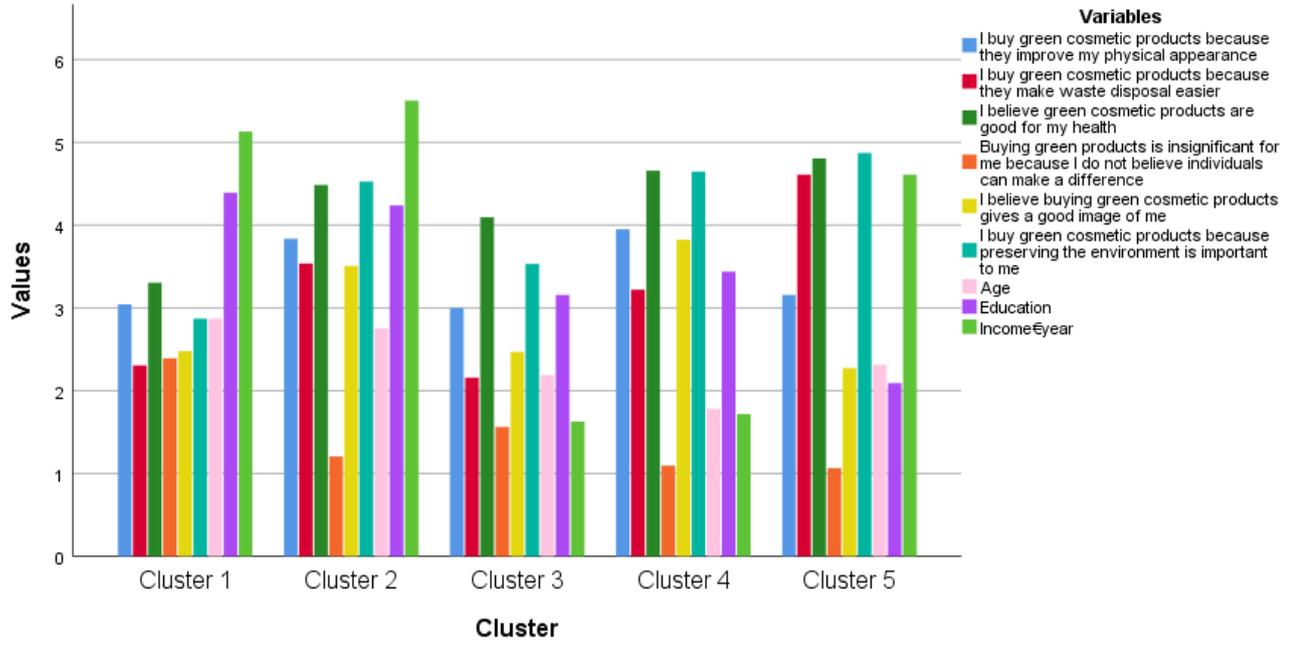
purchasing decision of green cosmetic products			
Shelf display influences my choice for cosmetic products	,207	323	,000
I choose green cosmetic products with eco-labels	,308	323	,000
I prefer ecological brands over non-ecological ones	,373	323	,000
Environmental claims of green cosmetic products are generally trustworthy	,312	323	,000
Advertisements of green cosmetics are honest	,272	323	,000
Most green cosmetic advertisements provide consumers with essential information	,304	323	,000
Green cosmetics keep promises and commitments to environmental protection	,292	323	,000
I really enjoy buying green cosmetics	,401	323	,000
What cosmetics I purchase is extremely important to me	,417	323	,000
It is very irritating to make mistakes when buying cosmetics	,306	323	,000
When I am in front of the cosmetic section, I always feel unsure about which one to choose	,283	323	,000
I can tell a lot about a person from the cosmetic he/she buys	,211	323	,000
I believe buying green cosmetic products gives a good image of me	,174	323	,000
I buy green cosmetic products because preserving the environment is important to me	,356	323	,000
I buy green cosmetic products because they improve my physical appearance	,215	323	,000
I buy green cosmetic products because they make waste disposal easier	,164	323	,000
I believe green cosmetic products are good for my health	,369	323	,000
Buying green products is insignificant for me because I do not believe individuals can make a difference	,471	323	,000

a. Lilliefors Significance Correction

Appendix 3. Results of the K-means cluster analysis.

Final Cluster Centers					
	Cluster				
	1	2	3	4	5
I buy green cosmetic products because they improve my physical appearance	3	4	3	4	3
I buy green cosmetic products because they make waste disposal easier	2	4	2	3	5
I believe green cosmetic products are good for my health	3	4	4	5	5
Buying green products is insignificant for me because I do not believe individuals can make a difference	2	1	2	1	1
I believe buying green cosmetic products gives a good image of me	2	4	2	4	2
I buy green cosmetic products because preserving the environment is important to me	3	5	4	5	5
Age	3	3	2	2	2
Education	4	4	3	3	2
Income/year	5	6	2	2	5

Final Cluster Centers



Appendix 4. Pattern for Constructs

Pattern Matrix^a

	Factor			
	1	2	3	4
I choose cosmetic products that promote environmental supply chains	,886			
I choose cosmetic products which promote social responsibility	,709			
I choose cosmetic products with environmentally friendly packaging	,550			
I am willing to pay more for cosmetic products that are produced and processed in a sustainable way	,372			,308
I choose cosmetic products which are free from animal testing	,337			
Advertisements of green cosmetics are honest		,796		
Environmental claims of green cosmetic products are generally trustworthy		,795		
Green cosmetics keep promises and commitments to environmental protection		,641		
Most green cosmetic advertisements provide consumers with essential information		,604		
Green cosmetic products have sufficient product range				
Sales promotions and discounts influence my purchasing decision of green cosmetic products			,742	
I choose cosmetic products with attractive packaging and labelling			,473	
Price level of green cosmetic products is too high			-,441	
Shelf display influences my choice of cosmetic products			,433	
I choose green cosmetic products based on their affordability and price			,400	
Color and smell of cosmetic products affect my purchasing decision			,391	

I would like to find green cosmetic products in my nearby store			,357	,331
Marketing information on green claims influence my choice for cosmetics products			,327	
I am willing to shop at more than one place to take advantage of low prices				
I choose green cosmetic products because of the natural ingredients				,557
I prefer ecological brands over non-ecological ones	,367			,538
I choose green cosmetic products with eco-labels				,478
Green cosmetic products bring value for money			- ,383	,460

Extraction Method: Maximum Likelihood.

Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 12 iterations.

Appendix 5. Normal distributions of factors.

(Green product)	Kolmogorov-Smirnov ^a		
	Statistic	df	Sig.
I choose cosmetic products which promote social responsibility of cosmetic product dealers	,262	325	,000
I choose cosmetic products that promote environmental supply chains	,196	325	,000
I choose cosmetic products with environmentally friendly packaging and materials	,208	325	,000
I am willing to pay more for cosmetic products that are produced and processed in a sustainable way	,300	325	,000
I choose cosmetic products which are free from animal testing	,356	325	,000

a. Lilliefors Significance Correction

(Credibility)	Kolmogorov-Smirnov ^a		
	Statistic	df	Sig.
Environmental claims of green cosmetic products are generally trustworthy	,310	325	,000
Advertisements of green cosmetics are honest	,271	325	,000
Most green cosmetic advertisements provide consumers with essential information	,303	325	,000
Green cosmetics keep promises and commitments to environmental protection	,291	325	,000

a. Lilliefors Significance Correction

(price and availability)	Kolmogorov-Smirnov ^a		
	Statistic	df	Sig.
Sales promotions and discounts influence my purchasing decision of green cosmetic products	,188	325	,000
I choose cosmetic products with attractive packaging and labelling	,239	325	,000
Shelf display influences my choice for cosmetic products	,204	325	,000

I choose green cosmetic products based on their affordability and price	,219	325	,000
Color and smell of cosmetic products affect my purchasing decision	,193	325	,000
I would like to find green cosmetic products in my nearby store	,324	325	,000

a. Lilliefors Significance Correction

(Green promotion)	Kolmogorov-Smirnov ^a		
	Statistic	df	Sig.
I choose green cosmetic products with eco-labels	,308	325	,000
I prefer ecological brands over non-ecological ones	,371	325	,000
I choose green cosmetic products because of the natural ingredients	,442	325	,000
Green cosmetic products bring value for money	,247	325	,000

a. Lilliefors Significance Correction

Appendix 6. Results of the one sample t-test.

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
credibility	325	3,4038	,58316	,03235

One-Sample Test

Test Value = 3

	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
credibility	12,485	324	,000	,40385	,3402	,4675