

# Towards Sustainable Consumption: A Case Study of Albanian Consumers

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## Abstract

The overarching goal of this study is to shed light on how individual characteristics may determine the consumer's choice towards sustainable products. We use survey data that contain measures of individual characteristics to examine the profile of consumers who adapt sustainable consumption patterns. Chi Square Test of independence and Binary Logistic Regression are used to analyze the variables that influence the purchasing behaviour of Albanian consumers. The findings are consistent with the hypothesis. Consumers who are more concerned about the environment are more potential to choose green products over the traditional one. In addition, demographic variables like gender, income and education are greatly related to consumers' behaviour toward sustainable consumption. Equally, contextual factors like price and perceived quality affect the consumer decision-making process. Also, the results of the research have shown that the positive attitude towards sustainable products is not always reflected in purchasing behaviour.

## Keywords

Sustainable Consumption, Sustainable Development, Purchase Intention

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## 1. Introduction

In the recent years, the anxiety about environmental abasement has come to the forefront. We should keep in mind that resources are limited and human wants are unlimited. Climate change, pollution and recourse degradation are the main problems society has to handle. Even though our current consumption patterns are unsustainable, most of northern countries continue to follow 'pro-growth strategy'. Consequently, efforts are being made in order to achieve sustainable patterns of development.

Green growth has been considered as new source of growth that can serve to enhance progress towards sustainable development. Green growth aims to reduce poverty and to improve wellbeing. Sustainable consumption is a central aspect of green growth. A green growth model is based on

cost-effective and cost-efficient means of production and consumption. According to Hawken for reaching approximate a sustainable development, we need to delineate a system of commerce and production in which each and every act is inherently sustainable and restorative (Hawken, 2005).

Referable to the global climate concern, environmental degradation and resource scarcity consumers are changing their attitude and consuming patterns towards more sustainable ways (Jackson, 2005). The positive attitude toward sustainable consumption is a respectable starting point. Although consumers are driven from mainly positive attitude, their behavioral patterns are not undeniable consistent with their attitudes. Still, there are other individual and situational factors that also play an important role in the final decision making process. In order to address consumer

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patterns it is important to analyze the main forces that influence these patterns.

The intention of this paper is to investigate the environmentally responsible consumer's profile. Survey data are used to study the influence of personal factors such as demographic variables, attitudes, personal norms and values, socioeconomic characteristics, and contextual factors such as perceived quality and price of sustainable products on consuming patterns of Albanian consumers. The findings prove that the purchase intentions towards sustainable food can be predicted by demographic variables of consumers. Moreover, perceived quality and price level of sustainable products has a play a significant role in the decision making process.

## 2. Literature Review

Our demand for goods and services is beyond the ecological limits, therefore, is required to change our consuming patterns towards more sustainable models. Numerous academics consider sustainable consumption and production as a key approach in achieving sustainable development (Stern, 2000), (Spaargaren, 2003), (Jackson, 2005).

Agenda 21 has dedicated a separate chapter on sustainable consumption and production 'Changing consumption patterns' which called for governments, business, civil society to engage in activities that would restructure consumption patterns in order to achieve sustainability.

Sustainable consumption is defined as an approach to minimising the negative impacts on the environment. The Oslo Symposium define sustainable consumption as "*the use of goods and services that respond to basic needs and bring a better quality of life, while minimising the use of natural resources, toxic materials and emissions of waste and pollutants over the life cycle, so as not to jeopardise the needs of future generations.*" (UNCSD, 1994), (Axelrod & Lehman, 1993) describes sustainable consumption behaviour as: "actions which contribute to preservation and protection of the environment."

In the literature, we can observe two sustainable consumption discourses the weak sustainable consumption approach wSC and the strong sustainable consumption approach sSC. The wSC, which is now called the concept of Sustainable Production and Consumption, approach assumes that sustainable consumption can be achieved via technological improvements. One of the major elements of this approach is to encourage consumers to play an active role in the market to buy sustainable products and to boycott products that harm the environment Hartman (2009). On the other hand, the sSC approach is based on the assumption that we should

dramatically change our consumption levels and our consumption patterns in order to achieve sustainable consumption. People have a significant role in achieving sustainable consumption not only as consumers but also as active citizens Lorek and Fuchs (2008).

Last years, their efforts are being made in order to promote sustainable consumption and production behaviour. However, according to Timmer *et al.* (2009) changing the consumer behaviour is not necessarily easy. Approaches undertaken in isolation have small effect. Motivational strategies should be undertaken and must go hand in hand with creation of alternative opportunities for fulfilling needs in a sustainable way.

In this study, we will use the wSC approach, we will analyze the factors that influence the purchasing buying process of Albanian consumers. The role of Albanian people as active citizen in promoting sustainable consumption is not in the focus of this study.

Various studies have been undertaken to analyse the factors that influence the consumer decision-making process. Researchers have tried to identify the characteristics of the target groups more prone to sustainable consumption (Straughan & Roberts, 1999), (Young, Hwang, McDonald, & Oats, July 2008), (Blend & van Ravenswaay., 1999), (McDonald, Oates, Young, & Hwang, 2006a), (Yiridoe, Bonti-Ankomah, & Martin, 2005) (Saxena & Khandelwal, 2008), (Diamandopoulos, 2003). The results have been somewhat equivocal. Some of the researchers have found the non-significant relationship between demographic variables and green attitudes. Others have found the relationship to be significant and strongly correlated with consumer behaviour. They support the position that demographic variables (such as age, income, gender and education) affect consumer attitude towards sustainable consumption e.g (Straughan & Roberts, 1999), (Zimmer, Stafford, & Stafford, 1994), (Roberts, 1996). On the other hand, many scholars believe that consumption patterns are more complex and can not be explained only by demographic factors (Assadourian, 2010), (Spaargaren & Oosterveer, 2010), (Stern, 2000). Stern identifies four variables the influence consumer behaviour: behavioural factors, external factors, personal qualities, habits and routines.

Obviously more researchers should be undertaken in order to understand the main forces that drive consumer behaviour toward sustainable consumption.

## 3. Methodology

This model incorporates three levels of variables that may be relevant to a person consuming behaviour. We assume that,

demographic variables, the price of sustainable products and perceived quality influence the consumer attitude and purchasing behaviour.

*Proposed hypothesis*

1. *H1.1*: Demographic variables (Gender, Age, Education, Income) is not related with purchasing behaviour intentions towards sustainable products
2. *H1.3*: Price of sustainable products is not related to purchasing behaviour intentions towards sustainable products
3. *H1.3*: Perceived quality of sustainable products is not related to purchasing behaviour intentions towards sustainable products

For conducting this study, we have used exploratory research design. Both data primary and secondary are used to gather information. The data utilised were obtained from survey method. A structured questionnaire was used for measuring the consumer purchasing behaviour toward sustainable products. Interviews were conducted between November 20-27, 2014. Respondent was selected randomly. The Chi-square test of independence is used to show if there is the difference in consumer purchasing behaviour between the genders, income, age education, price, perceived quality. The chi-square test for independence is conducted by assuming that there is no relationship between the two variables being examined. The alternative hypothesis is that there is some relationship between the variables. We have used the Pearson correlation coefficient to measure the association between purchasing behaviour, perceived quality and price of sustainable products.

In order to analyse the variables that have a significant impact on purchasing behaviour of Albanian consumers we have used the Binary Logistic Regression. The regression is defined as follow:

$$\text{Purchasing behaviour} = a_0 + a_1\text{Gender} + a_2\text{Age} + a_3\text{Residence} + a_4\text{Education} + a_5\text{Income} + a_6\text{Information} + a_7\text{Responsibility} + a_8\text{Quality} + a_9\text{Payextraprice} + \varepsilon$$

Where:

Gender: dummy variable that takes the value 1 if the responded is male and value 0 for female.

Age: quantitative variable that represent the age of the respondents.

Residence: Dummy variable that takes value 1 if the respondents live in cities or 0 if the respondents live in the countryside.

Education: Dummy variable that takes value 1 if the respondent has finished high school or lower level of

educations or 0 if the respondents has finished university or higher level of education.

Income: Quantitative variable that shows the monthly income of the respondents.

Information: Dummy variables that takes the value 1 if the respondent has any information about sustainable consumption and 0 if the respondents has no information about sustainable consumption.

Responsibility: Dummy variable that takes the value 1 if the respondent feels responsible for environmental problems and 0 if he feel not responsible.

Quality: Dummy variable that takes the value 1 if the respondents believe that the sustainable products have lower quality that the traditional one.

Payextraprice: Dummy variable that takes the value 1 if the respondent is disposable to pay an extra price in order to purchase sustainable product and 0 if he is not.

## 4. Findings and Discussion

**Table 1.** Chi-Square Tests.

	Pearson Chi-Square Value	Symmetric measures Phi value	Null Hypothesis
Gender	3.397 (0.065)	-0.117 (0.065)	Rejected at α 10%
Education	3.715 (0.054)	-0.122 (0.054)	Rejected at α 10%
Age	49.551 (0.297)	0.445 ( 0.297)	Accepted
Income	6.24 (0.183)	0.158 (0.183)	Accepted
Price	37.97 (0.000)	0.391 (0.000)	Rejected at α 1%
Perceived quality	82.236 (0.000)	0.575 (0.000)	Rejected at α 1%

Chi square test for gender reject the null hypothesis H1.1 (p-value two-tail is 0.065 lower than set alpha 0.1 therefore we reject H1.1 and we accept the alternative Hypothesis, gender is related to the attitude towards Eco friendly products. Phi value shows that there exists a small to moderate effect of gender purchasing behaviour intentions towards sustainable products. Female are more sensitive toward environmental problems, they use to buy more green products than male.

Chi square test for education reject the null hypothesis at α 10% and we accept the alternative one which support the support the view that education is related with purchasing behaviour intentions towards sustainable products. Educated people have more information and generally they have grater income that less educated people this must be the main reason why educated people have more sustainable consumption patterns.

We accept the null hypothesis for age which shows that age is not significant related with purchasing behaviour intentions. This result is not consistent with the theory, in theory usually younger people are more likely to purchase green products.

Chi square test for price and perceived quality shows that price and perceived quality are strongly related with purchasing intentions towards sustainable products. There exists a gap between attitude and purchasing behaviour. Most of the respondents feel responsible and worried for the environmental problems however only a small number of them convert their attitude in action. Two main reasons stop consumer to adopt sustainable consumption patterns first the perceived quality of green products and second the price of green products. Typically consumers believe that green products have lower quality than traditional one. Moreover they do not agree to pay an extra price in order to purchase green products.

#### Binary Logistic Regression

The results of Binary Logistic Regression are shown in table one. The B coefficient shows the correlation between independent and dependent variables and the Wald statistic shows the statistical significance. The results of the regression indicate that the variables Gender, Residence, Education, Income, Payextra price are statistically important and affect the consumers purchasing behaviour towards sustainable product. People who live in countryside are less likely to adapt sustainable consumption patterns because in the villages it is harder to find sustainable products and most of the people have lower income. The variable Age and Information are not statistically significant which means that these two variables do not play an important role on consumers purchasing behaviour towards sustainable consumption.

**Table 2.** Binary Logistic Regression.

Variables in the Equation 1		
	B	Wald
Gender	-.244	(.652)**
Age	-.007	(.382)
Residence	.867	(3.873)**
Education	.687	(2.909)*
Income	.000	(11.426)***
Information	-.235	(.772)
Responsibility	.263	(.574)*
Quality	2.953	(97.187)***
Payextra price	-1.794	(28.126)***
Constant	1.492	(4.496)**

Variable(s) entered on step 1: Gender, Age, Residence, Education, Income, Information, Responsibility, Quality, Payextra price.

Note: \*, \*\*, \*\*\* shows significance at 10%, 5%, 1% correspondently

The purchasing behaviour of consumers in Albania can be partly predicted (Nagelkerke R Square = 0,5200) from socio-demographic variables that we took under analysis.

Females, educated persons, with high income that live in cities are more likely to adapt sustainable consumption patterns. Education, residence, gender and income and the

price of the sustainable products are the variables that explain the purchasing attitude of consumers in Albania. Most of the findings are consistent with the theory, however there are other external factors that should be analysed in future studies.

## 5. Conclusions

Results show that Albanian consumers are highly worried about environmental problems and have a positive attitude towards sustainable consumption but this positive attitude is not always translated to purchasing behaviour, only 35% of our respondents would pay an extra price for purchasing a sustainable product.

Results show that some socio-demographic variables are responsible for consumer purchasing behaviour. Young educated females are more likely to consume sustainable products. These demographic variables can be used to profile the purchasing behaviour of Albanian consumers. In addition, situational determinants of perceived quality and price of sustainable products play an important role in the final decision-making process. Results show that Albanian consumers purchasing behaviour towards sustainable products is strongly and negatively correlated with the price of sustainable products and positively correlated with perceived quality of sustainable products.

In order to promote sustainable consumption patterns more efforts should be undertaken. Policy maker should invest more in education, should increase the quality of life and the income of citizens. On the other hand companies that offer green products should focus more on females with higher income. Also they should improve the image of their products and the distribution system.

In conclusion, we believe that further studies should be undertaken and other variables like availability of sustainable products, the distribution should be analysed in future researches. This information will help policy makers and companies in promoting sustainable consumption patterns in Albania.

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