

# Green Customer Behaviour in Hungary

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## 1. Introduction

After the transition there have been a lot of political and economic changes of which direction made it clear that one of the most important endeavors of Hungary was to join the European Union as soon as possible. Before doing so, our country had to comply with the laws, regulations and operations of the EU. One of the most important fields to be improved in this period was the environment protection and the related spheres.

In my opinion, environmental related issues are not only the responsibility of the state (or the government) and companies, but also that of the citizens. Effective environmental concept and strategy can be formulated only where people are receptive enough to environmental issues. Therefore, it is of utmost importance to know how much environmental conscious the population of Hungary is. Moreover, we must know how to influence them generally and specifically.

The main objective of my research was to determine the level of environmental consciousness of the whole population of Hungary. Besides, I strived to explore a lot of areas, which are in close connection with general or specific factors of environmental consciousness.

## 2. Research methodology

1050 people were asked to fill in the questioners to get a sample, which represents the whole population. The sample reflected the demographic distribution of the whole population and made it possible to make statements above 95% probability.

## 3. Hypothesis

After doing some desk research including foreign and Hungarian literature, I have formulated the following hypothesis:

Ho(1): The level of environmental consciousness is low in Hungary.

Ho(2): Women are greener than men.

- Ho(3): Young people are greener.
- Ho(4): The more income you have, the greener you are.
- Ho(5): Environmental consciousness is in positive connection with the level of qualification.
- Ho(6): Family has effect on green consumer behavior.
- Ho(7): The cause of the customer negligence of / resistance to green product is their relatively higher price.
- Ho(8): People with liberal political view are behaving in a more environmental-friendly manner.
- Ho(9): As for occupation, intellectuals are greener than others.

#### **4. Other focus points of the research**

Besides testing the hypothesis, I aimed at examining other factors, too:

- To determine the level of environmentally conscious consumption in Hungary
- To make clusters and to describe their features and behavior
- To better understand personal, social and corporate responsibility
- To explore the field of pricing
- To find out the sources of information regarding green consumption
- Customer activity examination

#### **4. The environmental consciousness function**

As it mentioned before, one of the most important objectives in my research was to draft a function-like relationship which can describe with great probability the environmental related behavior of a person with certain demographic and psychographic variables. This function helps to determine the level of greenness of the above mentioned person.

Since the quantification of this level is very difficult, I was eventually satisfied with the identification of the determining and non-determining variables, and the direction of their effect. As a result, I have formulated a draft function, which gives no quantitative result, but can be good enough for being a qualitative tool. This model is not an appropriate one in terms of scientific methods, yet it can be applied during making clusters of the Hungarian population.

The draft function describing the enviro-behavior of a given person based on demographic and psychographic variables is as follows:

$$EC = f(S, R, Q, O, I, P)$$

EC: Environmental consciousness

S: sex (male: -, female: +)

R: place of residence (Budapest: 1 /neutral/, other city: +, village: -)

Q: qualification (+)

O: occupation (intellectual: +, blue collar: -, student: 1, pensioner: +, -, entrepreneur: +, unemployment: -)

I: income (+)

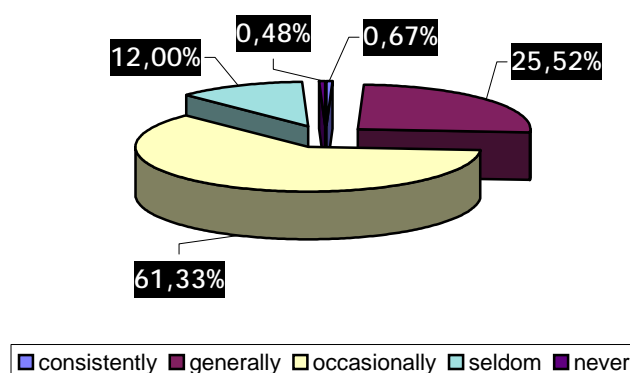
P: political view: (not interested: 1, liberal: +, conservative: 1, socialist: 1, social-democrat.: slightly +, christian democrat: slightly -, anarchist: +, -, other: -)

As the above function shows, it is very difficult to determine the exact level of environmental consciousness of a given person because of the relatively great number and deepness of the determining variables.

## 5. The level of environmental consciousness in Hungary

$H_o(I)$ : The level of environmental consciousness is low in Hungary.

The research revealed that Hungarian customers behave in a little bit more environmental conscious way as it had previously been assumed. Therefore this hypothesis cannot be accepted in its original form, it shall be modified. Most people (61,33%) are “occasionally



environmental conscious”. A quarter of the sample fell into the category “generally environmental conscious”, which is quite good. The extreme behaviors are almost missing. Only 0.67% of the population is “consistently green”, and at the other side, only 0.48% of the population can be found as “never being green”. It is of utmost importance that almost 88% of the Hungarian population is receptive to environmental issues to a certain extent, and so only 12 % is insensitive. This makes stable ground for environmental marketing in our country. Mention must be made of the fact that most people like to pretend to be greener as they are in reality, so the above result must be seen through this assumption.

*Final conclusion:* The level of environmental consciousness of the Hungarian population is a little higher than average.

## **6. Separating the determining and non-determining geographic and psychographic variables**

The questionnaire survey worked with the following variables: sex, age, place of residence, marital status, number of children, qualification, occupation, income, activity in social organization and political view.

Then I had to filter out the determining and non-determining variables. The result was as follows:

Variables with effect:

- Sex (S)
- place of Residence (R)
- Qualification (Q)
- Occupation (O)
- Income (I)
- Political view (P)

Variables with no effect:

- Age (A)
- Marital Status (MS)

- Number of children (C)
- Social Activity (SA)

So I obtained the above mentioned function-like relationship about the environmental consciousness. First I will demonstrate variables with effect then I will continue with those with no effect.

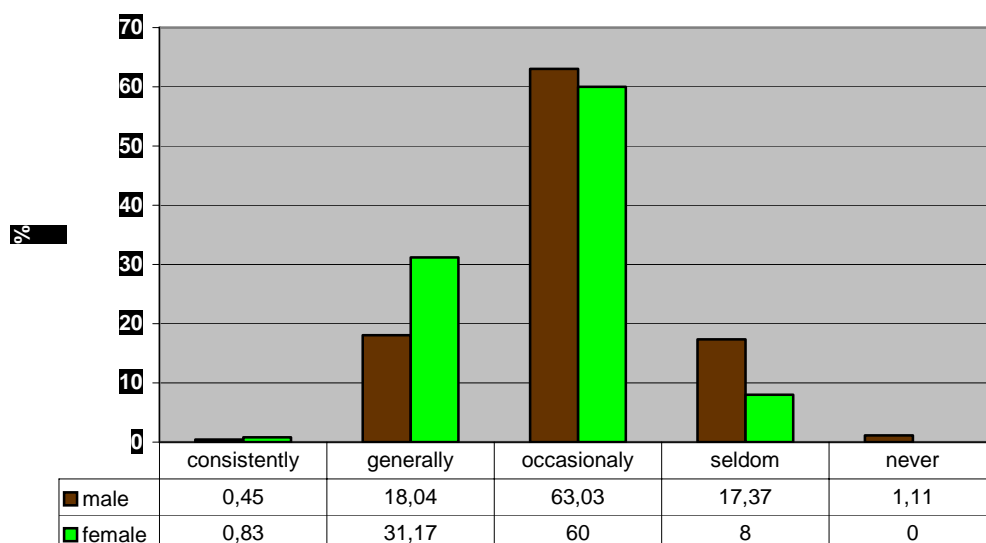
## 7. Explanation of variables with effect

### a. Sex

Here I had to test the following hypothesis:

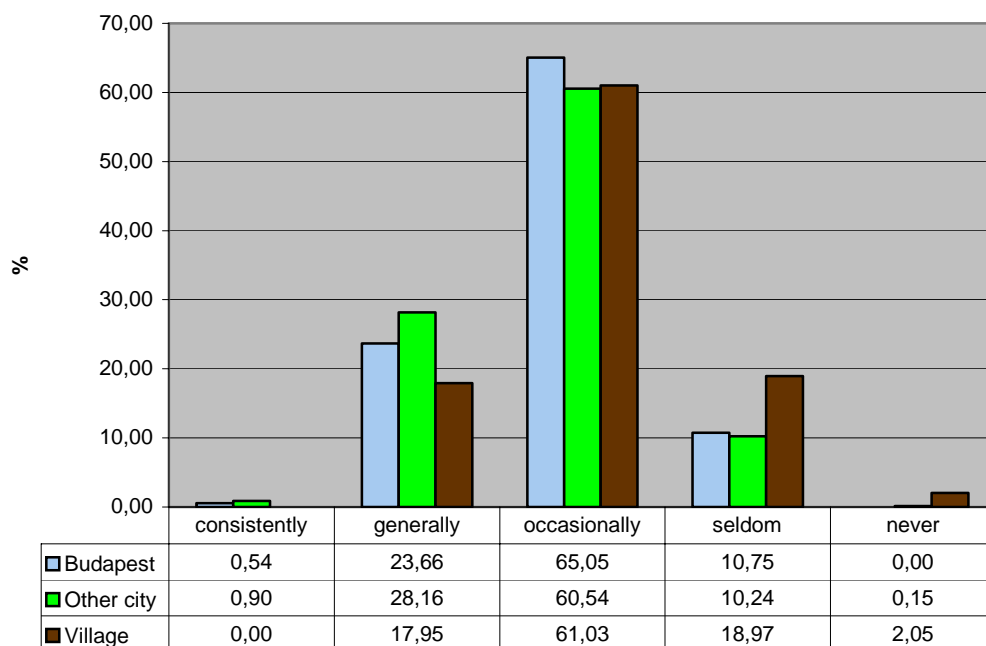
***H<sub>0</sub>(2): Women are greener than men.***

Based on the findings of the research H<sub>0</sub>(2) can be accepted as women are over-represented in the two most environmental conscious categories (consistently and generally greens). In the occasionally enviro-conscious category both dimensions (men/women) are equally represented. Hence it is not a wonder that men can be found in great numbers in the two least environmental conscious categories (seldom and never). In the category where people never behave in an environmental conscious way there can be found no females at all.



### *b. Place of residence*

Finding: People living in villages are not so enviro-conscious as those living in the capitol or other cities. The greenest are the citizens of provincial towns/cities.

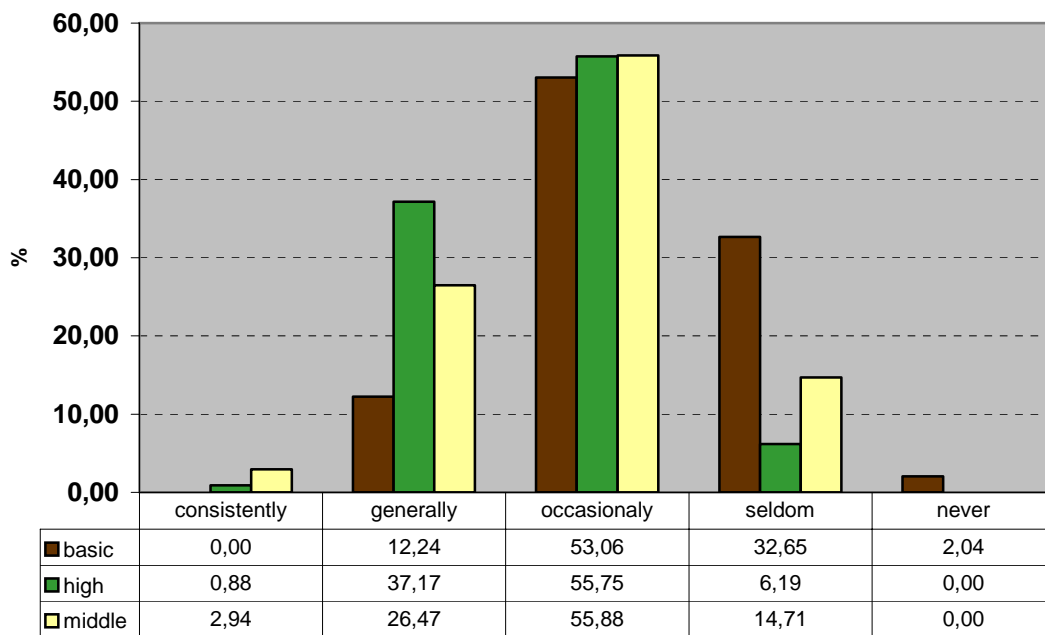


### *c. Qualification*

Here must  $H_0(5)$  be tested.

$H_0(5)$ : Environmental consciousness is in positive connection with the level of qualification.

During the research it was aimed to explore the connection between each dimension (basic, middle and high) of the variable “qualification”. As a result, it can be said the following statement can be accepted as a true one: The higher qualification you have, the more likely you behave in an enviro-friendly way.



#### d. Occupation

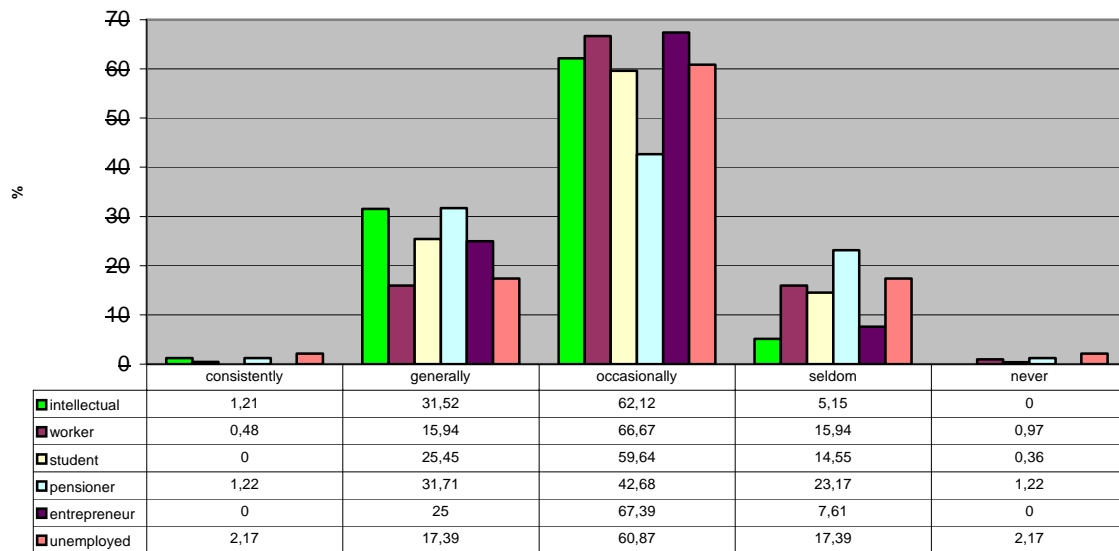
Here must  $H_0(9)$  be tested.

**$H_0(9)$ : As for occupation, intellectuals are greener than others.**

Based on the findings of the research, it can be said that  $H_0(9)$  was justified, so it can be accepted since intellectuals were the greenest thanks to their overrepresentation in the most environmental conscious categories. At the other end of the ranking the “workers” and “unemployed” were found, probably due to their lack of any financial means.

Pensioners have unique behavior traits as they behave in an extreme way due to the fact that they are over-represented in the most and least environmental-conscious categories. Knowing the behavior of students are also important as they could be the basis of the environmental education. In theory, their behavior could the most easily be changed by environmental education. Besides, this group could be the easiest to approach. Much to my surprise, they are not so environmentally conscious as supposed to be. It backs up the fact that more money and efforts should be spent and taken to improve environmentalism among students. Environmental marketing shall be a solution to this problem. Entrepreneurs are also

considered to be occasionally greens. It is of utmost importance that almost 93% of this group has positive attitude to environmental friendly behavior to a certain extent because they could much more contribute to environmentalism due to the fact that they are employers too.

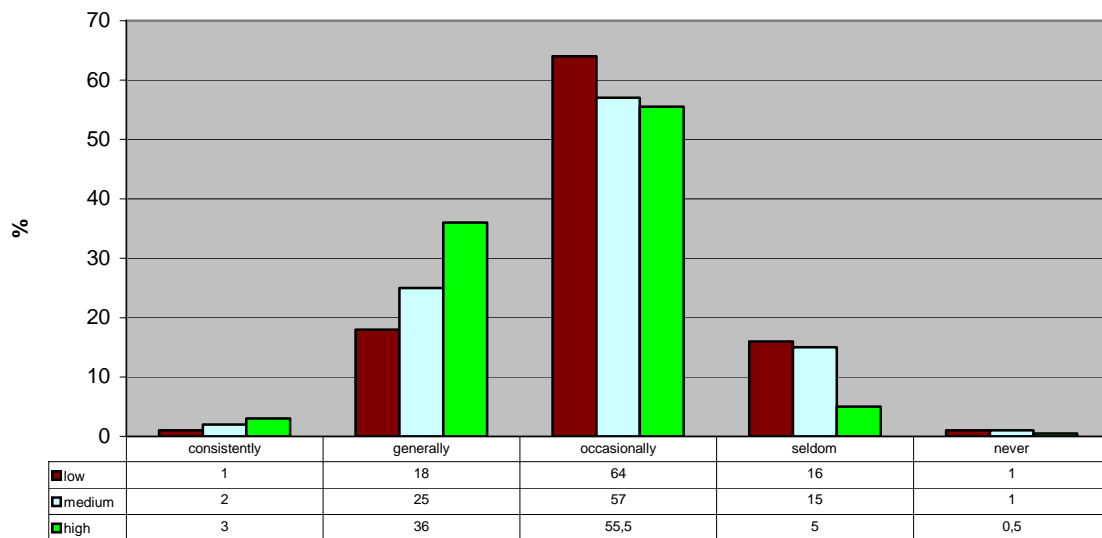


### e. Income

Here must  $H_0(4)$  be tested.

**$H_0(4)$ : „The more income you have, the greener you are.”**

Based on the findings of the research it can be stated that the above hypothesis can be accepted. As the below chart shows with the rising of the net income the level of environmental consciousness is also growing. The explanation of it is very simple: the more money you have, the more probable that you can afford to buy green products which are generally more expensive than their traditional counterparts.



### *f. Political view*

Here  $H_0(8)$  shall be tested.

***$H_0(8)$ : People with liberal political view are behaving in a more environmental-friendly manner.***

During testing  $H_0(8)$  let us take a closer look at the distribution of people with liberal political view. It turned out that they were over-represented in the category “generally eco-conscious”, yet under-represented in the category “never eco-conscious”, therefore it can be stated that they are above average if we see the level of the eco-consciousness. They are considered as the greenest segment of the whole population.

Social-democrats are the next in the ranking thanks to their smallest proportion in the category “never eco-conscious”. Unfortunately, the number of social-democrats was so small in the sample that their behavior cannot be generalized to the whole population.

People with other political view are biased from the mean to the greener direction. Anarchists are extreme as usual: either they are true-blue greens or browns.

Conservatives, socialists and people not interested in politics, who are account for almost the half of the sample-size, have almost the same enviro-related behavior. They are the people whose belong to the category “occasionally enviro-conscious”

Christian-democrats are not too open for enviro-related issues.

As a result we can accept  $H_0(8)$ .

