

Moderating effects of price consciousness between customer environmental satisfaction and customer loyalty

Abstract

Consumers keen to spend some amount of money for environmentally friendly products as they are concerned about their health and their environment ¹. This study aims to investigate the moderating effect of price consciousness on the relationship between customer environmental satisfaction and customer loyalty. A self-administered, close-ended questionnaire was completed and collected from 200 university students studying at a public higher learning institution in the Federal Territory of Labuan, Malaysia. Moderating effects are examined using the structural equation modeling (SEM) technique via AMOS 21.0 computer program. SEM results found support for the hypothesis that price consciousness moderates the relationship between customer environmental satisfaction in using green products and customer loyalty. The moderating role of price consciousness leads to a positive perception of the customer environmental satisfaction in using green products and customer loyalty. People with low price consciousness are less likely to rely heavily on price in product purchases, and they develop better positive satisfaction levels in using green products as well as remaining more loyal to continue shopping with the company that sells green products. Hence, marketers should emphasize on low price conscious people for business sustainability. Direction for future research is also presented.