Young Customer’s Green Purchase Intention: Study From Developing Country, Indonesia

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**Keywords:**
Green Product Knowledge, Environment Awareness, Green Perceived Value, Green Purchase Intention

**Abstract**
This study aims to test and analyze the effects of green product knowledge, green product awareness, green product interest, and perceived green value as intervening variables on green purchase intention in Indonesia. Reformulation The method used in this study is a quantitative method using online distribution of questionnaires. The sample of this study is 215 young Indonesian customers with knowledge about eco-friendly products. It consists of specifically targeted sampling processed using AMOS 22 analytical tools and Structural Equation Modeling (SEM) survey techniques, the findings of this study show that our young customers have high green product knowledge, high environmental awareness, and green values related to green purchase intentions. It shows that you have an awareness of Otherwise, all hypotheses are accepted.

**A. INTRODUCTION**

In the five years since the United Nations declared a climate emergency and set sustainable development goals, many global companies and institutions have focused on or raised awareness of the issue. Under pressure from media consumers, brands are recognizing the need to change their business models to align with consumer ideals in the climate emergency (Davidson et al., 2020; Gills & Morgan, 2020; O’neill & Sinden, 2021). However, Gen Z is the most environmentally conscious group because they grew up concerned about climate change (W. Wang, 2021).

Green marketing campaigns can inspire millennials and encourage social groups to adopt environmentally friendly behaviors. Actively supporting the environment allows these consumers to take pride in their community and country (Salam et al., 2022). An environment that promotes sustainability has been found to have a greater impact on young
consumers’ beliefs and norms than on their abilities (Jahari et al., 2022). An environment that promotes sustainability has been found to have a greater impact on young consumers' beliefs and norms than their abilities (Khan & Abbas, 2023). Consumers in developing countries are increasingly aware of companies' environmental performance (Khandelwal et al., 2019). However, to achieve better environmental policy outcomes, it seems essential to involve all stakeholders in environmental protection efforts (Zhang et al., 2019).

Consumer environmental awareness is of great importance for environmental policy and environmental protection, as public/consumer environmental protection efforts depend on environmental awareness (Kardos et al., 2019). Zameer, et al (2020) argued that increasing consumer awareness of environmental issues is driving industries to adopt environmentally friendly production through green innovation (Zameer et al., 2020). There are many stimulating factors that promote green purchasing behavior. According to Fu et al (2020), environmental awareness is widely recognized as an important first step to prepare people to deal with environmental issues (Fu et al., 2020). Sekhokoane et al (2017) state that people with high environmental consciousness are more likely to adopt environmentally friendly consumer behavior (Sekhokoane et al., 2017). In contrast, Du (2018) and Li (2019) argued that this is not the case. The instances of environmental awareness are constantly changing into behaviors that can promote green shopping (Du et al., 2018; Li et al., 2019).

Therefore, existing knowledge on this relationship between environmental awareness and consumer behavior. In addition, some researchers have attempted to investigate other promising factors regarding green purchase intentions. For example, Sharma and Foropon (2019) investigated and confirmed the role of product attributes on green purchasing behavior in the context of planned behavior (Sharma & Foropon, 2019). Patel et al (2020) focused on environmental responsibility commitment and self-identity as motivating factors for green purchasing behavior (Patel et al., 2020). Furthermore, a recent study by Nguyen-Viet (2022) highlights that green
advertising and eco-labels are factors that promote environmentally friendly purchases (Nguyen-Viet, 2022).

Consumer concerns about the environment and green products influence purchase decisions (Sekhokoane et al., 2017). To promote environmentally friendly products, marketers need to pay attention to consumer preferences and decision-making processes (Cherrier et al., 2011). According to previous studies, there are many studies on the factors that influence consumers’ green purchase intentions (Gil & Jacob, 2018; Hashim et al., 2019; Sun & Wang, 2020; W. Wang, 2021). Consumers have begun to change their lifestyles and business activities, and tend to gradually increase their consumption of environmentally friendly products (Kong et al., 2014). Green products aim to conserve energy and resources and protect or improve the environment by reducing or eliminating toxic waste, pollution, and the use of toxic substances (Ottman et al., 2006). Compared to conventional products, they are degradable, renewable, reusable, and/or recyclable and have a low environmental impact (Dangelico & Pontrandolfo, 2010). Green products not only pose less risk to the environment, but also improve the living standards of consumers and society.

Although there are many studies on green purchase intentions, there is limited research on green purchase intentions of young consumers in developing countries (Lam et al., 2016). The above factors are promising determinants of green purchase intention, there may be many other factors that are even more important than these factors. Green product knowledge, green product awareness, and green product interest. Therefore, the current study results are needed to demonstrate the effects of green product knowledge, green product awareness, green product interest, and perceived value of green products as intervening variables on green product purchase intention in Indonesia.

The purpose of this research is to test and analyze Knowledge Green Product, Awareness on Green product, Concern on Green Product in Indonesia with Green Perceived Value as an Intervening Variable towards Green Purchase Intention.
B. LITERATURE REVIEW

Green Product Knowledge and Green Perceived Value

Product knowledge is information and understanding about a specific product that helps stakeholders make decisions about the product (Stanton & Cook, 2019). Such information is stored in consumers’ memory and influences their evaluation and purchase decisions (H. Wang et al., 2019). The theory of green purchasing behavior posits that environmental value is a result of environmental awareness, which can lead to green purchasing (Han, 2020). Similarly, it can be argued that as knowledge about green products accumulates in customers’ minds through environmental advertising, environmental awareness and knowledge of green products increases, which ultimately influences green purchasing behavior. Similarly, we hypothesize that consumers’ knowledge about environmentally friendly products will help increase their intention to purchase environmentally friendly products. The following proposal was developed for empirical testing. It can be concluded that green product knowledge is knowledge about products that are considered to have a positive impact on the environment. The more consumers know about environmental issues, the less uncertainty they have in their decision-making process and the more they trust and adopt brands that are committed to going green.

H1: Green Product Knowledge has direct impact on the green perceived value

Environment Awareness and Green Perceived Value

Most consumer behavior studies have considered self-interest to be the main driver of consumer behavior. “Individual relativistic factors” Yu & Fang (2009) have been identified as one of the main factors determining customers’ perceived value in terms of personality, psychographics, and self-concept (Yu & Fang, 2009). Three factors including attitudes, social norms, and environmental concerns have a positive influence on green consumer behavior in Vietnam, with environmental concerns especially playing an important role (Trong Nguyen et al., 2023). As reported by Sheth et al (1991), consumers are not always looking for functional or social value (Sheth et al., 1991).
In some cases, emotional values may play a central role in determining behavior. The S-O-R framework proposed “value” as the result of cognitive and affective information processing that can guide consumers’ future courses of action (Jacoby, 2002). Lin and Huang (2012) determined the influence of consumers’ value perception on green purchase intention (Lin & Huang, 2012). They further argued that information/knowledge about deteriorating environmental conditions is important for value realization and purchase intention. Gutman (1982) defines values as “desired end states” to which consumers engage in appropriate activities (Gutman, 1982). When green consumption is seen as a valuable and meaningful option that reflects self-image, evokes emotion, or simply provides a trusted attribute, customers are more likely to believe and perceive value.

Environmental awareness is a broad concept that includes educating people about the importance of protecting the natural environment. Asif et al (2018) argued that all kinds of environmental issues can increase the environmental awareness of general consumers (Asif et al., 2018). Biodiversity protection, sustainable food production systems, sustainable urban development, overpopulation control, waste management, and water scarcity are major environmentally related concerns (Chowdhary et al., 2020; Theregowda et al., 2019). Stakeholder theory states that all stakeholders should cooperate, including the company, customers, society, and all other important stakeholders (Parmar et al., 2010). On the other hand, sustainable development theory states that the development and actions of today's needs should not have negative effects on the future (Bossel, 1999). Similarly, in light of the connectivity/interrelatedness concept of stakeholder theory and the futuristic perspective of sustainable development theory, the formation of environmental awareness among consumers will ultimately lead to environmental concerns we assume that it will increase. Therefore, the following hypothesis was formulated

H2. Environment awareness has direct impact on the green perceived value

Green Perceived Value and Green Purchase Intention
Since consumer judgments are often based on incomplete information, the perceived value of a product, which acts as a signal to consumers, has a positive effect on purchase intentions (Kardes et al., 2004). Perceived value consists of a set of attributes related to the perception of a product’s value, which can build positive word-of-mouth effects and increase purchase intent (Ashton et al., 2010; Sweeney et al., 1999). Some companies promote their products with misleading claims about the environmental value of their products, which deters customers from purchasing their products (Kalafatis et al., 1999). Therefore, now in the environmental era, green value recognition plays a more important role. Perceived value is one of the most important factors influencing purchase intention (Zeithaml, 1988). Therefore, previous literature suggests that perceived value has a positive relationship with consumers’ purchase intentions (Gounaris et al., 2007). Low perceived value can lead to a loss of consumer purchase intention (Sweeney et al., 1999). When consumers perceive a product to be of high value, they are more likely to purchase it (Chang & Chen, 2008). Previous literature has shown that customer perceived value positively influences customer purchase intentions (Cronin et al., 1997; Eggert & Ulaga, 2002; Patterson & Spreng, 1997; Tam, 2004). In today’s rising environmental protection, green value perception is crucial for green purchasing intentions, so this study implies the following hypothesis:

H3. Green perceived value has direct impact on green purchase intention

**Green Product Knowledge and Green Purchase Intention**

Product knowledge is information and understanding about a specific product that helps stakeholders make decisions about the product (Stanton & Cook, 2019). Such information is stored in consumers’ memory and influences their evaluation and purchase decisions (H. Wang et al., 2019). The theory of green purchasing behavior posits that environmental value is a result of environmental awareness, which can lead to green purchasing (Han, 2020). Similarly, it can be argued that as knowledge about green products accumulates in customers’ minds through environmental advertising, environmental awareness and awareness and knowledge of green products increases, which ultimately influences green
purchasing behavior. Similarly, we hypothesize that consumers’ knowledge about environmentally friendly products will help increase their intention to purchase environmentally friendly products. The following proposal was developed for empirical testing:

H4. Green product knowledge significantly improve green purchase intentions

**Environment Awareness and Green Purchase Intention**

Recently, efforts have been made to bring environmentally friendly products to market, resulting in increasingly environmentally friendly products appearing in all industries, from food and hospitality to energy, automotive and construction (Chung, 2020; Goh & Balaji, 2016). Protection motivation theory (Maddux & Rogers, 1983) suggests that consumers focus on environmental costs and product benefits when making purchase decisions. Wang et al (2019) argued that green product knowledge refers to consumers' subjective observations about the environmental impact and characteristics of green products (H. Wang et al., 2019). Barrutia and Gilsanz (2013) discussed that consumers’ knowledge about a particular product can influence evaluation criteria and perceptions of product characteristics (Barrutia & Gilsanz, 2013). Laureti and Benedetti (2018) Environmental awareness is a factor that determines consumers’ attitudes towards environmentally friendly products (Laureti & Benedetti, 2018). A study by Zsoka et al (2013) state that environmental awareness refers to knowledge, information, and awareness about environmental problems and possible solutions (Zsóka et al., 2013). Asilsoy et al (2017) found that environmental awareness is a potential concept to enhance ecological knowledge and behavior (Asilsoy et al., 2017). Previous studies have investigated the antecedents of environmental awareness (Aliman et al., 2019; Perron et al., 2006; Uzunboylu et al., 2009) and its moderating role (Asif et al., 2018). However, there is no studies have focused on investigating the influence of environmental awareness yet. Therefore, based on existing theoretical evidence, we assume that environmental awareness will reinforce green purchase intention. to test said argument, the following proposition has been drawn.
H5. Environment awareness significantly improve green purchase intentions

Conceptual framework

Based on the description of the relationship between variables and the formulation of the hypothesis that has been put forward, an image of the conceptual framework for this research can be presented as follows:

![Figure 1. Research Framework](image)

C. METHOD

A total of 215 young customer, age from 18 to 24 years old (Avci & Yildiz, 2020), from Indonesia participated in this study. In addition to age restrictions, participants are also bound by several criteria, including: Stay up to date with the latest information on eco-friendly products and sustainable issues. Participants had no prior training in creativity and were unaware of the purpose of the study. Instead, participants were instructed to answer each question with their own thoughts. To ensure that participants gave correct answers, this study operationalized all aspects of the study using existing scales that have demonstrated validity and reliability in previous research. All scales are widely used in both academic research and training. All characteristics are rated on a 5-point Likert scale (1 = strongly disagree, 5 = completely agree). The information was then analyzed by using AMOS 22.
D. RESULTS and DISCUSSION

**Respondent Characteristics**

The analysis of respondent profiles in this survey is based on the following demographics:

<table>
<thead>
<tr>
<th>Categories</th>
<th>Item</th>
<th>f</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>78</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>137</td>
<td>64</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>215</td>
<td>100</td>
</tr>
<tr>
<td>Age</td>
<td>18-24 years old</td>
<td>215</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>215</td>
<td>100</td>
</tr>
<tr>
<td>Last Education</td>
<td>Elementary School</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Junior High School</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Senior High School</td>
<td>128</td>
<td>59</td>
</tr>
<tr>
<td></td>
<td>D1/D2/D3/D4</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>S1</td>
<td>77</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>215</td>
<td>100</td>
</tr>
<tr>
<td>Occupation</td>
<td>Student</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>College Student</td>
<td>126</td>
<td>59</td>
</tr>
<tr>
<td></td>
<td>Civil Servants</td>
<td>22</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Police/Military</td>
<td>11</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Businessman</td>
<td>35</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>21</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>215</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data Processed (2023)

Table 2 shown that responden majority is female, last education is senior high school, and occupation is college student. And it’s mean that majority respondents are young customer who has well educated.

**Measurement Models**

The results of goodness fit index are as follows:

<table>
<thead>
<tr>
<th>Model index</th>
<th>fit</th>
<th>Reccomended Values</th>
<th>Observed Values</th>
<th>Conclusion</th>
</tr>
</thead>
</table>

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The model suitability test shown in Table 2 shows that the model suitability requirements are accepted and suitability can be stated. Eight measurements indicate a good fit level. (Hair et al., 2017) stated that a research model construct can be declared fit and accepted if three to four measurements obtain a degree of good fit or above the cut-off value. Based on the model suitability test in Table 2, five of the measurements are declared good fit so that the research model configuration can be declared adequate and acceptable.

**Table 3. Hypothesis Testing**

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path</th>
<th>Estimate</th>
<th>SE</th>
<th>CR</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>GPK → GPV</td>
<td>0.218</td>
<td>0.064</td>
<td>3.41</td>
<td>***</td>
</tr>
<tr>
<td>H2</td>
<td>EA → GPV</td>
<td>0.281</td>
<td>0.066</td>
<td>4.265</td>
<td>***</td>
</tr>
<tr>
<td>H3</td>
<td>GPV → GPI</td>
<td>0.34</td>
<td>0.086</td>
<td>3.934</td>
<td>***</td>
</tr>
<tr>
<td>H4</td>
<td>GPK → GPI</td>
<td>0.267</td>
<td>0.071</td>
<td>3.754</td>
<td>***</td>
</tr>
<tr>
<td>H5</td>
<td>EA → GPI</td>
<td>0.271</td>
<td>0.075</td>
<td>3.635</td>
<td>***</td>
</tr>
</tbody>
</table>

Source: Primary Data Processed by AMOS2 (2023)
In line with hypothesis testing result in Table 3 and figure 1, it shows that Green Product Knowledge (GPK) has a significant positive impact on Green Perceived Value (GPV). The t-value and p-value support the proof of the first hypothesis with the calculated t-value for the GPK and GPV variables being 3.41, which is more significant than the t-table value of 1.96. Likewise, the p-value shows less than 0.05 (α = 0.05), so the first hypothesis is accepted. The results of the second hypothesis are also accepted. Environmental Awareness (EA) has a significant positive impact on Green Perceived Value (GPV). The calculated t value for the EA and GPV variables is 4.265, which indicates more effective strengthening than the t table value of 1.96. Similarly, the p-value indicates a number less than 0.05. The third hypothesis is also accepted. Green Perceived Value (GPV) significantly influences Green Purchase Intention (GPI). The GPV and GPI t-count variables reached 3.934. This shows that the value obtained exceeds the t-table value of 1.96. Likewise if the p-value is less than 0.05 (α = 0.05). The fourth hypothesis is accepted. Green Product Knowledge (GPK) significantly influences Green Purchase Intention (GPI). The GPK and GPI t-calculated variables reached a multiple
of 3.754. This shows that the value obtained exceeds the t-table value of 1.96. Likewise if the p-value is less than 0.05 (α = 0.05). The fifth hypothesis is also accepted, where Environmental Awareness (EA) influences Green Purchase Intention (GPI) significantly with a t-value of 3.635 which is greater than the t-table of 1.96 with a p-value of less than 0.05.

E. Conclusion

The results of hypothesis testing shown that has been carried out, it was found that the relationship between green product knowledge and green perceived value is stated to have a significant effect, so the first hypothesis in this research is accepted. It means that the better the green product knowledge, the greater the green perceived value will be affected. Environment awareness is stated to have a significant influence on green perceived values, so the second hypothesis in this research is accepted. When young customer has good awareness to environment, their green perceived values getting strong. The relationship between green perceived value is stated to have a significant effect on green purchase intention among young customer. It is explain if young customer has high green perceived value, it will increase their intention to do green purchase. And green product knowledge has direct effect on green purchase intention, and environment awareness also. It means that all of the hypothesis in this research is accepted. Young customer has high intention in green purchase activity as long as they have better knowledge and environment awareness.

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REFERENCES


