

THE ANTECEDENTS OF PURCHASE INTENTION FOR ENVIRONMENTALLY FRIENDLY PRODUCTS

Keniza Nila Safira ¹, Olivia Barcelona Nasution ^{2*}

STIE YKPN Yogyakarta
olviabarcelona@stieykpn.ac.id

ABSTRACT

Purpose: The development of industry in Indonesia is increasing rapidly, but it is not based on environmentally friendly activities, which causes many problems in the environment. There are still many companies using plastic materials to make a product and disposing of their waste carelessly, which causes environmental damage. That situation causes consumers to change their consumption patterns by buying environmentally friendly products. This research aims to examine the effect of environmental concern, personal norms, perceived value, and willingness to pay on the purchase intention of environmentally friendly products. **Methods:** This study used quantitative data with primary data sources obtained through an online questionnaire spread by Google Forms. The sampling method used in this study was random sampling and obtained 298 respondents. **Analysis data:** The data is processed using PLS-SEM with SmartPLS software version 3. **Result and discussions:** The results of the study stated that environmental concern, personal norm, perceived value, and willingness to pay had a positive and significant effect on the purchase intention of environmentally friendly products. **Conclusion:** The factors that generate interest for consumers to consume environmentally friendly products, for example, product packaging that can be recycled to products produced from green processes. Future research is expected to examine certain objects, for example, by mentioning certain environmentally friendly products used in order to produce more specific research results.

Keywords: Environmental concern, personal norms, perceived value, willingness to pay, purchase intention, environmentally friendly product

INTRODUCTION

Industrial development in Indonesia is experiencing very rapid growth, but it is not based on environmentally friendly activities, causing environmental problems. There are still many companies that use plastic materials to make a product and there is no waste management (Rini et al., 2017). Environmental problems are a global matter that is currently attracting public attention because they can affect international relations. The world has the biggest problem, namely plastic pollution, which will continue to grow and cannot be avoided from where we live. The reason for the increasing amount of plastic waste is due to the large population and the fact that there are parties that produce single-use plastic continuously and become plastic waste that is difficult to decipher. In addition to plastic waste, littering can also disrupt environmental sustainability. Currently, many industrial wastes are not reprocessed, thus endangering sea waters. Previous study revealed that disturbing environmental conditions would raise public awareness to preserve the environment (Paramita & Kerti Yasa, 2015).

The situation above causes consumers to start changing their consumption patterns, namely by buying products that are more environmentally friendly. Environmentally friendly products are products that do not have a negative impact on the environment and humans. The desire of consumers to buy environmentally friendly products is to minimise environmental damage (Laksmi & Wardana, 2015). Environmental concern is someone who has awareness and willingness to solve environmental problems that influence attitudes and purchase intentions for environmentally friendly products (Maichum, Parichatnon, & Peng, 2017).

Another factor that drives consumer intentions in buying environmentally friendly products is personal norms. Personal norms refer to individuals who are obliged to involve themselves in behaving concerned about environmental damage (Martha & Febriyantoro, 2019). When a personal norm is owned by someone who shows involvement in environmental issues, it will encourage their desire to buy environmentally friendly products (Prahasta & Pratomo, 2016).

Consumer intentions in buying environmentally friendly products are also influenced by perceived value (Zhao & Chen, 2021). Perceived value is a benefit that will be obtained by consumers because in buying environmentally friendly products, consumers will receive a form of value based on their wishes regarding the environment (Afendi, 2019).

Another interesting thing that consumers do in purchasing environmentally friendly products is when consumers are willing to pay more. Consumers have the willingness to pay more because they care about environmental issues (Martha & Febriyantoro, 2019). The definition of willingness to pay is a tool used to measure the maximum amount of someone who is willing to sacrifice goods and services in order to obtain other goods and services (Suryani, 2016). The amount that must be paid for environmentally friendly products is slightly higher when compared to conventional products. Nonetheless, consumers will benefit from purchasing environmentally friendly products at high prices because in the process of production, distribution, and consumption, products are designed as well as possible so as not to pollute the environment (Siti Fatimah & Setiawardani, 2019). Previous research stated that willingness to pay has a positive effect on the intention to buy environmentally friendly products because consumers are willing to pay more to get these products (Chaudhary, 2018).

THEORETICAL BASIS

Environmental Concern

Environmental concern refers to feelings of worry, compassion, interest and disinterest in the environment (Nilasari & Kusumadewi, 2016). Environmental concern refers to how far a person is aware of problems regarding the environment, helps solve them, and is willing to contribute to solving environmental problems (Martha & Febriyantoro, 2019). Environmental concern is part of self-concept, which acts as an internal influence. Producers of environmentally friendly products will get more privileges because they have a sense of care for the environment (Alhally, 2020).

Personal Norm

Personal norms refer to personal moral standards and engaging in feelings of concern for environmental damage. Personal norms are created when someone places social norms into their individual value structure (Martha & Febriyantoro, 2019). When individuals have personal norms that indicate their involvement in environmental issues, it will encourage their desire to buy environmentally friendly products (Khare, 2015). Consumers who are aware of the importance of the environment (personal ecological norms) will prefer to use environmentally friendly products because they are healthy for consumers (Prahasta & Pratomo, 2016).

Perceived Value

A group of attributes that have a relationship with the perceived value of a product so that it can provide a positive word-of-mouth influence in the process of increasing purchase intention is defined as the perceived value (Susanti, 2020). Chen & Chang (2012) argue that perceived value is a consumer's opinion regarding the usefulness and value of the product obtained. Consumers would evaluate the costs and benefits they have received as a whole when buying a product. Consumers will also prefer products that provide them with many benefits. Therefore, by involving product value, companies can increase purchase intentions (Martha & Febriyantoro, 2019).

Willingness to Pay

Consumers who are willing to pay more (consumers' willingness to pay) will influence their intention to buy environmentally friendly products (Prahasta & Pratomo, 2016). Willingness to pay by consumers can be measured if a person's existence is in an indifferent position to exogenous changes in the form of an increase in income. Price changes can cause exogenous changes caused by increasingly scarce resources or because of changes in the quality of resources. In relation to the environment, willingness to pay is consumers who are willing to pay more to assess the condition of the environment and natural resources to improve environmental quality (Suryani, 2016).

Purchase Intention for Environmentally Friendly Products

The intention to purchase environmentally friendly products is for someone who has the willingness to express his intention to carry out activities that support the ecological movement. Intention is related to a person's desire for something that will usually be followed by behaviour to support that desire. Intention to buy environmentally friendly products can occur when someone has confidence in the product because it does not have a negative impact on the environment. The intention to purchase environmentally friendly products is also generated by a person's ability to buy these products (Paramita & Kerti Yasa, 2015).

HYPOTHESES

Companies have an important role in growing consumers' feelings of care for the environment so as to foster trust in consumers to be interested in buying environmentally friendly products (Marcelino & Widodo, 2020). Xue et al. (2019) state that the formation of environmental concern is caused by feelings of worry arising from business activities that raise issues regarding environmental preservation. Dagher, et al. (2015) argues that environmental concern has four indicators in measurement, namely: worry about environmental quality, interest in the environment, emotional feelings in protecting the environment, and contributing to the environment. Thus, people who have a high concern for the environment tend to have purchasing behaviour for environmentally friendly products. Research conducted by Chaudhary (2018), Pratiwi (2020) and Alhally (2020) show that the environmental concern variable has a positive effect on the intention to buy environmentally friendly products.

H1: Environmental concern has a positive effect on the intention to buy environmentally friendly products

Schwartz (1997) argues that personal norms are normative beliefs and expectations in a person who will prioritise personal interests and those of others. Kinzig et al. (2013) argue that the norms that exist in each individual regulate all actions taken, if an individual commits a wrong action then he must be prepared for the consequences obtained, namely in the form of sanctions or rewards. Personal norms will encourage consumer desire to buy products that are environmentally friendly (Septariana & Pratomo, 2018). Every individual who has personal norms will show his involvement in environmental issues, and this can encourage his desire to buy environmentally friendly products (Prahasta & Pratomo, 2016). Research conducted by Chaudhary (2018) and Pratiwi (2020) shows that personal norms have a positive effect on the intention to purchase environmentally friendly products.

H2: Personal norms have a positive effect on the intention to purchase environmentally friendly products

Perceived value is the value of a product that positively increases purchases and can build word-of-mouth effects. Perceived value can also be interpreted as perceived value which is the difference between the point of view of consumers based on the benefits and costs of an offer. A low perceived value will eliminate the intention to buy environmentally friendly products, therefore, consumers will buy products if they get a high value. Consumers think that if they get profit value from buying environmentally friendly products, then this can encourage their intention to buy these products (Kurniawan & Indriani, 2018). Research conducted by Chaudhary (2018) and Saputri & Kurniawati (2015) shows that perceived value positively affects purchase intentions for environmentally friendly products.

H3: Perceived value has a positive effect on the intention to purchase environmentally friendly products

The availability of consumers pay more for environmentally friendly products because these products are made with natural ingredients, safe and harmless. Ling (2013) argues that the production process of environmentally friendly products costs more than traditional products. According to M. Laorche et al. (2001), consumers who are concerned about environmental issues are willing to pay more money to obtain environmentally friendly products. Consumers think they will be willing to pay more for environmentally friendly products because the product content is harmless and safe to use (Martha & Febriyantoro, 2019). Research conducted by Riorini & Berliyanti (2015) and Chaudhary (2018) shows that willingness to pay has a positive effect on the intention to purchase environmentally friendly products.

H4: Willingness to pay has a positive effect on the intention to purchase environmentally friendly products.

METHOD

In this study, primary data sources were used to get responses directly through respondents, with questionnaires distributed using the Google Form. The questionnaire items were adapted from previous research. The scale used is five Likert scales ranging from 1 = Strongly Disagree to 5 = Strongly Agree. The environmental concern variable items were adapted from Junior, Silva, Gabriel, & Oliveira Braga's (2015) research, personal norm variables from Nguyen, Lobo, & Nguyen's (2017) research, perceived value variables from Chaudhary's research (2018), willingness to pay from the research of Chaudhary (2018) and Lumba (2019), the variable of intention to purchase environmentally friendly products from the research of Chaudhary (2018) and Junior, Silva, Gabriel, & Oliveira Braga (2015). There are no respondent criteria in this study because it assesses the extent to which people are interested in buying environmentally friendly products, so the chosen sampling method is random sampling. Researchers conducted tests using the PLS-SEM method with SmartPLS 3 software. The tests consisted of outer models, inner models, and hypothesis testing.

RESULTS AND DISCUSSION

The number of respondents in this study was 289 people. The majority of respondents were male, 159 people with a percentage of 53.36%, aged 20-29 years, 226 people with a percentage of 75.84%, the majority of respondents were students, 134 people with a percentage of 44.97%, and the majority of respondents had an income of IDR 2,000,000-5,000,000 amounted to 138 people with a percentage of 46.3%.

Table 1 Respondents Profile

Demographics	Number of Respondents	Percentage
Gender		
Male	159	53,36%
Female	139	46,64%
Age (years)		
<20	23	7,72%
20-29	226	75,84%
30-39	3	1,00%
>39	46	15,44%
Job		
Students	134	44,97%
Employee	97	32,55%
Entrepreneur	42	14,09%
Others	25	8,39%
Income (Rp)		
<2.000.000	126	42,30%
2.000.000-5.000.000	138	46,30%
5.000.001-10.000.000	30	10,10%
>10.000.000	4	1,30%

The results of the validity test in Table 2 show that all variable indicators have an outer loading value of ≥ 0.70 , so all variable indicators in this test can be declared valid. Discriminant validity testing based on the Fornell Larcker criteria can be declared valid if the Average Variance Extracted (AVE) value is > 0.50 , and all variables meet the cut-off value. The reliability test results yielded a Cronbach's alpha value > 0.60 and a composite reliability value > 0.70 , so the questionnaire items used were reliable. This test produces an R square value of 0.698, meaning that the variables environmental concern, personal norm, perceived value and willingness to pay are able to explain the dependent variable, the intention to purchase environmentally friendly products, well.

Table 2 Validity and Reliability Tests

Variables	Items	Loadings	<i>Cronbach's Alpha</i>	CR	AVE
Environmental Concern	E1	0,724	0,803	0,864	0,562
	E2	0,701			
	E3	0,777			
	E4	0,835			
	E5	0,701			
Perceived Value	P1	0,826	0,908	0,931	0,731
	P2	0,805			
	P3	0,805			
	P4	0,823			
	P5	0,820			
Personal Norm	PV1	0,860	0,875	0,909	0,665
	PV2	0,807			
	PV3	0,821			
	PV4	0,882			
	PV5	0,901			
Willingness to Pay	W1	0,871	0,937	0,952	0,800
	W2	0,903			
	W3	0,902			
	W4	0,884			
	W5	0,912			
Purchase Intention	PU1	0,833	0,876	0,910	0,670
	PU2	0,738			
	PU3	0,868			
	PU4	0,787			
	PU5	0,859			

Table 3 Hypotheses Testing

Variable	β	T	Sign.	Status
Environmental Concern - > Purchase Intention	0,259	5,076	0,000	Supported
Perceived Value -> Purchase Intention	0,309	4,431	0,000	Supported
Personal Norm -> Purchase Intention	0,074	1,299	0,000	Supported
Willingness to Pay -> Purchase Intention	0,321	4,501	0,000	Supported

The results of hypothesis testing show that environmental concern has a significant positive effect on purchase intentions for environmentally friendly products ($\beta = 0.259$; p-value $0.000 < 0.050$), the first hypothesis is accepted. This hypothesis is relevant to the results of previous research conducted by Chaudhary (2018), Pratiwi (2020), and Alhally (2020).

Someone who wants to protect the environment from damage must have a sense of care for the environment by buying products that are not harmful, namely environmentally friendly products. Environmental concerns can form a person's awareness to be more sensitive to environmental problems and will try to participate and contribute to solving them.

Perceived value has a significant positive effect on purchase intentions for environmentally friendly products ($\beta = 0.309$; p-value $0.000 < 0.050$), so the second hypothesis is accepted. This hypothesis is relevant to the results of previous research by Saputri & Kurniawati (2015) and Chaudhary (2018) because consumers will get many benefits when buying products, causing an intention to buy environmentally friendly products. Usually, consumers compare the benefits obtained with the costs incurred. If it is comparable, consumers will be motivated to buy environmentally friendly products that have many benefits for the environment.

Personal norm has a significant positive effect on the intention to purchase environmentally friendly products ($\beta = 0.074$; p-value $0.000 < 0.050$), so the third hypothesis is accepted. This hypothesis is relevant to the results of previous research by Chaudhary (2018) and Pratiwi (2020) because each individual feels obliged to involve himself in the environment, which will encourage the intention to buy environmentally friendly products. When someone already has the obligation to be involved in their environment, they will be fully responsible for the environment by contributing to consuming environmentally friendly products.

Willingness to pay has a significant positive effect on purchase intentions for environmentally friendly products ($\beta = 0.321$; p-value $0.000 < 0.050$), so the fourth hypothesis is accepted. This hypothesis is supported by the results of previous research by Riorini & Berliyanti (2015) and Chaudhary (2018) that someone who is able to pay more for environmentally friendly products in accordance with the benefits he gets will encourage the intention to purchase these products. Consumers tend to be willing to pay more because the ingredients in environmentally friendly products are harmless and will not have a negative effect.

CONCLUSION

The results of this study prove that environmental concern, personal norms, perceived value, and willingness to pay have a positive and significant effect on the intention to purchase environmentally friendly products. Environmental issues are indeed on the rise, especially because of erratic weather changes, increasing temperatures, and the amount of pollution. Consumers are increasingly aware that their consumption patterns affect the state of the environment. The selection of environmentally friendly products is one of the things consumers who are aware of environmental issues are starting to implement. This research is expected to explain the factors that generate interest for consumers to consume environmentally friendly products, for example, product packaging that can be recycled to products produced from green processes. This research certainly has limitations. Future research is expected to examine certain objects, for example, by mentioning certain environmentally friendly products used in order to produce more specific research results.

REFERENCES

- Afendi, A. (2019). Pengaruh Green Trust dalam Memediasi Green Perceived Value dan Green Perceived Quality terhadap Green Purchase Behavior. *Jurnal Optimum*, 9(1), 45-60.
- Alhally, A. (2020). Pengaruh Kepedulian, Pengetahuan, Sikap, Inisiatif Pemerintah, Tekanan Teman Sebaya Dan Spiritualitas Terhadap Niat Beli Produk Ramah Lingkungan Di Banjarmasin . *At-Tadbir: Jurnal Ilmiah Manajemen*, 4(2), 130-142.
- Chaudhary, R. (2018). Green Buying Behavior in India: an empirical analysis. *Journal of Global Responsibility*, 2041-2568.
- Junior, S. S., da Silva, D., D.S Gabriel, M. L., & Braga, W. d. (2015). The Effects of Environmental Concern on Purchase of GreenProducts in Retail. *Procedia - Social and Behavioral Sciences*, 99-108.
- Junaedi, M. S. (2005). Pengaruh Kesadaran Lingkungan Pada Niat Beli Produk Hijau: Studi Perilaku Konsumen Berwawasan Lingkungan. *Benefit*, 9(2), 189-201.
- Kocklic, M. K., Golob, U., Podnar, K., & Zabkar, V. (2019). The Interplay of Past Consumption, Attitudes and Personal Norms in Organic Food Buying. *ELSEVIER*, 27-34.
- Kurniawan, H. A., & Indriani, F. (2018). Pengaruh Product Knowledge, Perceived Quality, Perceived Risk,dan Perceived Value terhadap Purchase Intention pada Motor Kawasaki Ninja 250 di Kota Semarang. *Diponegoro Journal of Management*, 7(4), 1-13.
- Kurniawati , N. R., & Nina, P. (2018). Pengaruh Green Perceived Value dan Green Perceived Quality untuk Meningkatkan Green Satisfaction yang Berdampak pada Repurchase Intention pada Konsumen Rumah Makan Kehidupan Tidak Pernah Berakhir di Bandung. *Jurnal Indonesia Membangun*, 17(2), 1-18.
- Kusumawati, E. (2019). Minat Beli Produk Ramah Lingkungan Sebagai Dampak dari Implementasi Green Advertising. *Jurnal Kajian Ilmiah*, 19(1), 57-64.
- Laksmi, A. D., & Wardana, I. M. (2015). Peran Sikap dalam Memediasi Pengaruh Kesadaran Lingkungan terhadap Niat Beli Produk Ramah Lingkungan. *E-Jurnal Manajemen Unud*, 4(7), 1902-1917.
- Lumba, M. G. (2019). Peran Brand Love Terhadap Brand Loyalty dan Willingness To Pay Premium Price Pada Pembeli Iphone Di Surabaya. *Agora*, 7(1).
- Maichum, K., Parichatnon, S., & Peng, K. C. (2017, March). The Influence of Environmental Concern and Environmental Attitude on Purchase Intention towards Green Products: A Case Study of Young Consumers in Thailand. *International Journal of Business Marketing and Management*, 2(3), 01-08.
- Marcelino, D., & Widodo, A. (2020). Green Purchase Intention on Nutrifood's Consumer in Bandung: The Role of Environment Concern with Green Trust Mediation. *Jurnal Sekretaris dan Administrasi Bisnis*, 4(1), 1-19.
- Martha, & Febriyantor, M. T. (2019). Analisis Faktor-Faktor Yang Mempengaruhi Perilaku Pembelian Produk Kosmetik Ramah Lingkungan. *Jurnal Ecodomics*, 3(2), 218-227.
- Nguyen, T. N., Lobo, A., & Nguyen, B. K. (2017). Young Consumers' Green Purchase Behaviour in an Emerging Market. *Journal of Strategic Marketing*, 1-18.
- Nilasari, N. H., & Kusumadewi, N. W. (2016). Peran Sikap dalam Memediasi Pengaruh Kepedulian Lingkungan terhadap Niat Beli Kosmetik Hijau Merek The Body Shop. *E-Jurnal Manajemen Unud*, 5(1), 121-148.
- Paramita, N. D., & Kerti Yasa, N. N. (2015). Sikap dalam Memediasi Hubungan Kesadaran Lingkungan dengan Niat Beli Produk Kosmetik Ramah Lingkungan. *Jurnal Manajemen dan Kewirausahaan*, 17(2), 177-185.

- Prahasta, G., & Pratomo, L. A. (2016). Antaseden Niat dari Perilaku Pembelian Produk Ramah Lingkungan. *Jurnal Manajemen*, 13(2), 117-131.
- Pratiwi, D. D. (2020). Factors Affecting Green Purchase Behavior of Cosmetic Products Among Millennial Consumers in Indonesia. *Journal of Management and Bussines*, 3(2), 126-135.
- Rini, A. S., Sukaatmadja, I. G., & Giantari, I. A. (2017). Pengaruh Pengetahuan Lingkungan dan Kepedulian Lingkungan terhadap Sikap dan Niat Beli Produk Hijau “The Body Shop” di Kota Denpasar. *E-Jurnal Ekonomi dan Bisnis Universitas Udayana*, 137-166.
- Riorini, S. V., & Berliyanti, D. O. (2015). Antaseden dari Willingness to Pay A Price Premium Dan Konsekuensinya terhadap Purchase Intention Of Green Product. *Jurnal Manajemen*, 19(3), 304-320.
- Saputri, S. M., & Kurniawati. (2015). Pengaruh Perceived Quality dan Perceived Value terhadap Purchase Intention. *Seminar Nasional Cendekiawan*, 755-761.
- Septariana, D., & Pratomo, L. A. (2018). Antaseden dari Green Buying Behaviour. *Telaah Bisnis*, 19(2), 83-94.
- Siti Fatimah, N. F., & Setiawardani, M. (2019). Pengaruh Green Marketing Mix terhadap Keputusan Pembelian: Studi pada Konsumen The Body Shop Kota Bandung. *Jurnal Administrasi Niaga*, 10(1), 1089-1101.
- Suryani, A. S. (2016, Desember). Persepsi Masyarakat dan Analisis Willingness to Pay terhadap Kebijakan Kantong Plastik Berbayar. *Kajian*, 21(4), 359-376.
- Susanti, D. N. (2020). Pengaruh Green Perceived Value terhadap Repurchase Intention dengan Kepuasan Konsumen sebagai Intervening. *Jurnal Ekonomi Bisnis*, 4(2), 131-137.
- Zhao, S., & Chen, L. (2021). Exploring Residents’ Purchase Intention of Green Housings in China: An Extended Perspective of Perceived Value. *International Journal of Research and Public Health*, 1-19.