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Factors Affecting Green Purchase Intention and its Impact on Green Purchase Behavior

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ABSTRACT

This study aims to obtain empirical evidence related to the influence of factors affecting green purchase intention. In addition, this study also examines the effect of green purchase intention on green purchase behavior moderated by willingness to pay. The data analysis method uses Structural Equation Modeling (SEM) AMOS. This research is quantitative research using primary data and obtaining 162 respondents. The results showed that green brand knowledge, environmental concern, and green perceived value have a positive effect on green purchase intention. Meanwhile, environmental knowledge does not affect green purchase intention. In addition, green purchase intention and the moderating role of willingness to pay can strengthen the influence of green purchase intention on green purchase behavior. This research also provides implications for further research, consumers, and companies. The novelty in this research is the addition of willingness to pay as a moderating variable.

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1. INTRODUCTION

Extreme weather phenomena that impact vulnerable communities around the world, such as heat waves, melting glaciers, heavy rainfall, forest fires, and flooding, are becoming more frequent due to climate change (Manchanda et al., 2021). The rapid rate at which the climate is changing has put many businesses, towns, governments, and people at risk (Shrivastava et al., 2020). Global warming, air pollution, and ozone layer destruction are the key factors contributing to the increasing environmental damage. Furthermore, the environment is negatively impacted by other business operations like production, marketing, transportation, and procurement (Qureshi et al., 2022). Because today's consumers care more about how businesses are responding to climate change nowadays, large companies are more active and motivated to protect the environment as part of their CSR program (Chuah et al., 2020). Promoting green consumption to promote healthy living and environmental conservation is becoming more and more accepted as consumers all over the world become more conscious of environmental issues (Amoako et al., 2020). Hence, companies ought to encourage advance their green items to shoppers and effectively actualize green showcasing methodologies (Ullah et al., 2020).

Changes in the company's work system have also led to changes in people's living standards (Gabriella & Kurniawati, 2021). Currently, someone have the awareness to behave to buy environmental friendly products. In addition, this study also measures the impact of green purchase intention on green purchasing behavior with moderating willingness to pay. Green brand knowledge is customer knowledge about environmentally friendly products associated with certain brand names, symbols, designs, and qualities (Qureshi et al., 2022).

Environmental knowledge encompasses people's perception of their surroundings, the fundamental connection between nature and its products, a broad comprehension of the environment, and collective accountability for economic advancement (Kumar et al., 2022). A natural concern is the level of an individual in realizing existing natural issues. Supported by research Ahmed et al., (2021) discovered that the intention to make green purchases is positively impacted by environmental concerns. A customer’s assessment of the completeness of products or services with a favorable attitude toward the environment is know as green perceived value, or GPV (Qureshi et al., 2022). Green purchase intention could be an assurance or mental choice to purchase an item or benefit that can fulfill person's needs or wants through individual client involvement and information investigation (Tarabieh, 2021).

Based on several previous studies, this study provides novelty, namely by adding the willingness to pay variable as a moderator. This is because environmentally friendly products will certainly have a higher price compared to products in general. (Ketelsen et al., 2020). Therefore, buying these products requires consumer availability to pay more to buy environmentally friendly products. Willingness to pay is a form of an attitude of a person's willingness to pay for products and services that have value (Chaudhary, 2018; Rahmat & Kurniawati, 2022; Yin & Cherchi, 2024). Li & Kallas (2021) it was shown that consumers are willing to pay more for ecologically friendly products. This definition serves as the basis for the study’s investigation of the relationship between green purchase intention and characteristics related to green brand knowledge, environmental knowledge, environmental concern, and green perceived value. Furthermore, this study looks at how the desire to pay acts a mediator between the intention to make purchase and actual green purchases.

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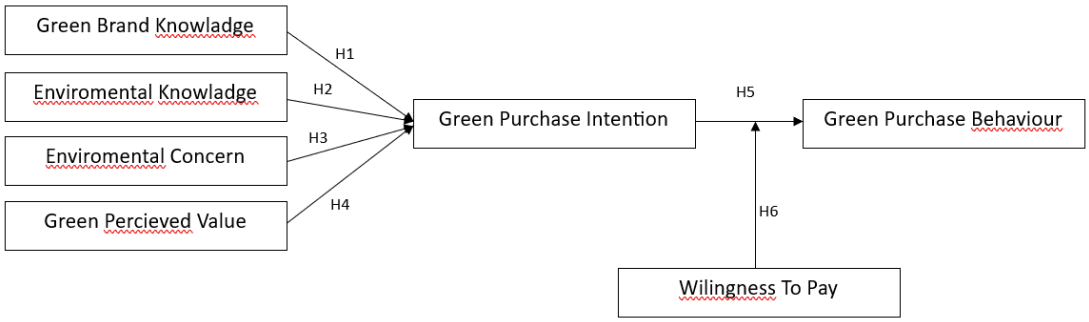
2. METHODS

Research Model



Source: (Chaudhary & Bisai, 2018; Qureshi et al., 2022)
Figure 1. Conceptual Framework

Hypotheses

H1: Green brand knowledge has a significant effect on green purchase intention.

H2: Environmental knowledge has a significant effect on green purchase intention.

H3: Environmental concerns have a significant effect on green purchase intention

H4: Green perceived value has a significant effect on green purchase intention.

H5: Green purchase intention has a significant effect on green purchase intention.

H6: Willingness to pay strengthens the influence of green purchase intention on green purchase behavior.

Research Methodology

This research is a type of causality research that examines the influence between variables (Sekaran & Bougie, 2016). This study uses a questionnaire with a Likert scale (1 (strongly disagree) until 5 (strongly agree). Determination of the number of samples according to Hair et al., (2019) The minimum sample is the total number of questions (24) multiplied by 5 until 10. The minimum sample is 120 respondents.

3. RESULTS AND DISCUSSION

Based on the results of distributing questionnaires that have been carried out, there are 162 respondents with criteria who know information related to green products and have purchased green products. The demographics of respondents who were successfully obtained are as follows:

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Table 1. Respondent Demographics

Description		Total	Percentage
Types of green products that have been purchased	Home appliance		
	Electronics	46	28,4
	Vehicle	10	6,2
	Cosmetics	3	1,9
	Food	13	8,0
	Clothing	46	28,4
	shoes	7	4,3
	Bags	1	0,6
How many times have you purchased a green product?	< 2 times	59	36,4
	3 - 5 times	55	34,0
	> 5 times	48	29,6
Gender	Men	69	42,6
	Women	93	57,4
Age of Respondent	17 - 20 Years	22	13,6
	21 - 30 Years	85	52,5
	31 - 40 Years	41	25,3
	> 40 Years	14	8,6
Last Education	SMA/SMK	43	26,5
	Diploma	7	4,3
	Postgraduate	18	11,2
	Bachelor	94	58,0
Employment Status	State Civil Apparatus	16	9,9
	Housewife	7	4,3
	Private Employee	80	49,4
	Student	37	22,8
	Entrepreneur	17	10,5
	Professional	5	3,1
Income Per Month	< 3 million	45	27,8
	3 million – 5 million	38	23,4
	5 million – 10 million	50	30,9
	> 10 million	29	17,9

Source: Primary data processed with SEM-AMOS

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Descriptive Statistics, Validity, and Reliability Test

Table 2. Descriptive Statistics, Validity, and Reliability Test

Statement Items	Average (mean)	Std. Deviation	Factor Loading	Cronbach Alpha
Green Brand Knowledge				
I've heard of eco-friendly brands	4,34	0,82	0,80	0,82
I am aware of information related to eco-friendly brands	4,08	0,84	0,90	
Eco-friendly brands are the first thing that comes to my mind	4,00	0,90	0,87	
Enviromental Knowledge				
I know more about recycling products	0,80	0,95	0,87	0.88
I know how to select items to reduce wastage.	0,90	0.99	0,83	
I know the symbols about environmentally friendly products that are printed on the product packaging.	0,87	0,91	0,87	
I have knowledge related to environmental issues.	3,85	0,91	0,87	
Enviromental Concern				
I know and understand that a healthy environment is important nowadays.	4,41	0,74	0,86	0.86
the sustainability of a healthy environment is something that is important to me	4,20	0,83	0,82	
For me, increasing environmental degradation is a serious problem	4,48	0,77	0,83	
I need to try to protect the environment for future generations	4,52	0,70	0,86	
Green Perceived Value				
Environmentally friendly products will provide good value for me	4,28	0,70	0,87	0.84
The eco-friendly aspect of the product will fulfill my expectations	4,16	0,76	0,89	
I will continue to buy environmentally friendly products because it will protect the environment	4,17	0,80	0,86	
Green Purchased Intention				
I intend to buy eco-friendly products because they are concerned for the environment	4,17	0,81	0,88	0.87
I hope to continue purchasing green products in the future because they were concerned for the environment.	4,22	0,81	0,92	
I would love to buy green products because they contribute to the environment.	4,33	0,75	0,88	
Willingness To Pay				
I will pay more for eco-friendly products that strive to preserve the environment	3,88	0,85	0,93	0.88
I am willing to pay an extra percentage for green products in support of green organizations/products	3,86	0,91	0,93	
I feel proud to have eco-friendly products in my home even though they are more expensive than conventional products.	4,03	0,85	0,83	
Green Purchased Behavior				
I would change products for ecological or eco-friendly reasons	3,91	0,82	0,82	0.86
I will always buy household appliances that are environmentally friendly or energy efficient.	4,00	0,87	0,90	
I will always buy environmentally friendly products made from recyclable materials.	3,90	0,85	0,89	
I will choose products that are not harmful to others	4,27	0,79	0,75	

Source: Primary data processed with SEM-AMOS

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Goodness of Fit Test

Table 4. Goodness of Fit Test Results

Measurement Type	Measurement	Criteria (Cut of Value)	Measurement Results	Decision
Absolute Fit Measure	Probability	≥ 0,05	0,00	Poor Fit
	GFI	≥ 0,90	0,82	Marginal Fit
	RMR	≤ 0,10	0.04	Goods Fit
	RMSEA	≤ 0,08	0.08	Marginal Fit
Incremental Fit Measure	NFI	≥ 0,90	0,86	Marginal Fit
	TLI	≥ 0,95	0,91	Marginal Fit
	CFI	≥ 0,90	0,92	Good Fit
	RFI	≥ 0,90	0,83	Marginal Fit
	IFI	≥ 0,90	0,92	Good Fit
	AGFI	≥ 0,95	0,76	Poor Fit
Parsimonious Fit Measure	CMIN/DF	1-5	2,09	Good Fit
	PNFI	≥ 0,90	0,71	Poor Fit
	PGFI	≥ 0,50	0,62	Good Fit

Source: Primary data processed with SEM-AMOS

Based on the Goodness of Fit value from the table above, it can be concluded that the RMR approach is 0.04 (Good Fit), CFI is 0.92 (Good Fit), IFI is 0.92 (Good Fit), CMIN/DF is 2.09 (Good Fit), and PGFI is 0.62 (Good Fit) which is used to produce a fit model conclusion, so the theoretical hypothesis can be continued.

The t-test

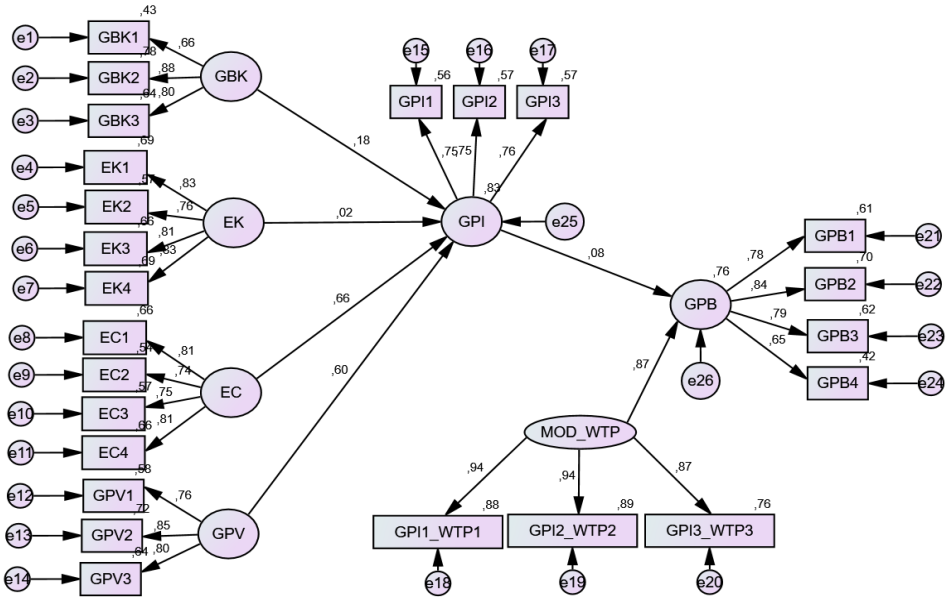

Figure 2. Structural Equation Modeling

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Table 5. Hypothesis Testing

	Hypothesis	*Estimation* β	*p-values* < 0,05	Description
H1	Green brand knowledge positively affects Green Purchase Intention	0,16	0,03	H1 supported
H2	Environmental Knowledge negatively affects Green Purchase Intention	0,12	0,10	H2 not supported
H3	Environmental Concern positively affects Green Purchase Intention	0,54	0,00	H3 supported
H4	Green Perceived Value positively affects Green Purchase Intention	0,72	0,00	H4 supported
H5	Green Purchase Intention positively affects Green Purchase Behavior	0,74	0,00	H5 supported
H6	Willingness to pay strengthens the influence of green purchase intention and positively affects Green Purchase Behavior	0,87	0,00	H6 supported

Source: Primary data processed with SEM-AMOS

Discussion

Research results show an estimated value of 0.16 and a p-value of 0.03 less than 0.05, meaning that higher public knowledge about environmentally friendly products increases purchase intention. This emphasizes that the higher the public's knowledge about environmentally friendly products raises the intention to buy ecologically friendly products. Tan et al., (2022) Found that green brand knowledge positively affects green purchase intention.

This finding suggests that companies with environmentally friendly products engaged in green marketing to attract consumers (Reddy et al., 2023). Environmentally friendly products increase purchase intention (Sun & Wang, 2020). Consumers perceive buying green products as a way to strengthen their green self-image, which increases identification and acceptance of the purpose of the purchase.

Furthermore, H2 shows that environmental knowledge hurts green purchase intention with an estimated value of 0.12 and a p-value of 0.10 more than 0.05, so knowledge about the environment has not been able to influence people's purchase intentions for environmentally friendly products. This finding contradicts the research of Hamzah & Tanwir (2021) Said that environmental knowledge has a significant effect on green purchase intention. However, this finding is in line with research by Qomariah & Prabawani (2020) Who found that environmental knowledge does not affect green purchase intention. Although environmental information can be useful in making a purchase, it has fewer benefits for consumers who must know the consequences of their purchases (Qomariah & Prabawani, 2020). Awareness of a green brand can encourage consumers to purchase eco-friendly products, rather than just knowing about environmental issues.

Based on data processing H3, the coefficient value of 0.54, and the p-value is 0.00. These studies show that consumers' concern about a good environment increases the purchase intention of green products. This finding supports the research of Ahmed et al., (2021) and Qureshi et al., (2022) Who found that environmental concern has a positive effect on green purchase intention. The results of this study show that consumers are already

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concerned and aware of environmental problems, support efforts to solve them, and show a desire to personally participate in the solution (Chaudhary, 2018).

Testing of H4, with an estimated value of 0.72 and a p-value of 0.00, shows that the value or benefits of an environmentally friendly product positively impact the purchase intention of environmentally friendly products. The findings in this study support the research of Riva et al., (2022) Showed a significant relationship between perceived value and green behavior intentions. In this research, it was found that consumers already have an assessment of a product or service based on an assessment of its usefulness (Qureshi et al., 2022). It determines the price that consumers pay for the product. The literature has identified that perceived value plays an important role in the decision-making process of consumers and determines their purchase intentions and behavior (Chaudhary, 2018).

With an estimated value of 0.74 and a p-value of 0.00, some individuals believe that having the intention to buy an environmentally friendly product will result in a dependence on environmentally friendly products. This positive influence supports research by Qureshi et al., (2022) The survey's findings are predicated on the supposition that consumers are prepared to purchase certain eco-friendly goods. One can argue that conduct precedes intention. Additionally, the intention to carry out the behavior is stronger when one has a more positive attitude toward it (Ahmed et al., 2021) In addition, Chaudhary & Bisai (2018) The study states that if the intention to buy environmentally friendly products increases, then people will be more likely to buy environmentally friendly products.

The results showed that willingness to pay was able to as evidenced by the coefficient value of 0.87 and p-value of 0.00. This result supports the research of Li & Kallas (2021) and Chaudhary (2018) Found that shoppers are willing to pay more for ecologically inviting items. For shoppers, cost plays an imperative part in making acquiring choices. A few inquiries about appears that naturally concerned people are not cost delicate and cost does not have a noteworthy impact on the buy of green items (Ahmed et al., 2021).

4. CONCLUSION

Based on data from research conducted on respondents using questionnaires, it can be concluded that green brand knowledge, environmental concern, and green perceived value have a positive effect on green purchase intention. Therefore, the results of this study indicate that environmentally friendly products can increase purchase intention, so it is hoped that every company has environmentally friendly products to increase company revenue. Meanwhile, environmental knowledge does not affect green purchase intentions, therefore this research is expected to help people understand the potential and problems related to the environment. Companies can make efficient plans to control how their products and services affect the environment, increase productivity, and improve their position as an environmentally friendly business. Therefore, companies need to educate their staff members about environmental hazards by organizing workshops and start publishing studies on how ecological hazards affect society or customers. This can be achieved by creating eco-friendly products, educating the public about the environment, and collaborating with the government to promote eco-friendly products by bringing them to more walks of life.

According to the research that has been conducted, there are limitations in the form of respondents who still do not know what products are categorized as environmentally friendly products. This can be seen in the minimum value of each variable question which has a value of 1 (one). This research is expected to be a reference for further research in developing models and variable measurements.

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