

Green Awareness Effect on Consumers' Purchasing Decision

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Abstract

Environmental conditions are influenced by the behavior of the community itself. In this transparent era, public awareness as a consumer is very important. Green awareness is needed as a consideration for making purchasing decisions. Consumers must be careful in choosing products to consume. Production of green products requires efforts that make product prices higher than green products on the other hand high prices usually make it difficult for consumers to make purchasing decisions on that product. Companies must inform people of product specifications about the products they produce are green. This research was conducted in a well-known tourist city in Indonesia, Denpasar, Bali by taking the subject of teenagers in Denpasar. using a purposive sampling method with a total sample of 108 respondents. The results showed that environmental awareness has a positive but not significant effect on purchasing decisions. Green product awareness has a positive and significant effect on purchasing decisions. price awareness has a positive and significant influence on purchasing decisions and brand image awareness has a positive and significant effect on purchasing decisions.

Keywords

Consumers environmental concern; awareness of green product; awareness of price; awareness of brand image and consumers purchasing

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Introduction

Environmental conditions are influenced by the behavior of the community itself. The issue of preserving the environment has long been recognized (Juwaheer and Pudaruth, 2012; Zulfa, et al, 2016). On the other hand, several countries have begun several efforts to save the environment such as sustainability as an earth-hour campaign, environmentally friendly

campaign, and so on (Sarkis, et al, 2010; Cronin, et al, 2011). The campaign was carried out by people to save the environment from the mistakes they had made (Kai Chan, et al, 2012). Their bad habits with using products that have a high degradation time such as plastic bags harm environmental conditions. Plastic bags consisting of polyethylene require a very long time to degrade itself (Albertsson, AC, 2017).

Exploitation of nature really needs public awareness for its preservation. Natural imbalances will cause natural disasters and will have a negative impact on the surrounding community (Kai Chan, et al, 2012). Environmental improvement has been largely described as a question by consumers expressing their concerns by buying new environmentally friendly products (Hussain, et al, 2014). There are several indications that occur due to natural imbalances such as global warming, floods, landslides, and many more (Zulfa, et al, 2016). Public awareness as consumers is very important. Green awareness is needed to make purchasing decisions (Suki, 2013). Consumers must be careful in choosing and assessing products to be purchased (Prakash, 2002). Customers who are responsible for the environment are very important because the purchase of goods that are not approved can damage the environment (Ayodele, et al, 2017). People who care about environmental sustainability will change their consumption habits such as making savings or replacing consumer goods with goods that are more environmentally friendly (Moser, 2015; Young et al., 2009). Customers prioritize environmentally friendly products to save the environment, consumers then change their concerns through purchasing actions and purchasing environmentally friendly products (Chen, 2013; Moser, 2015; Young et al., 2009). Production of green products requires efforts that make product prices higher than other products (Chen and Chang, 2013). High prices usually make it difficult for consumers to make purchasing decisions on these products (Ambec & Lanoie, 2008). However, this includes consumers who are willing to pay higher prices for environmentally friendly products. Companies must obtain product specifications for people about the products they produce are green products (Schmeltz, 2012). Consumers prefer green products,

green products become the market leader day by day. Thus, increasing demand for environmentally friendly products throughout the world (Putra, 2016). Customers who change because of environmental awareness and intention to do better for the ecology, more and more environmentally friendly products are launched into the market (Shruti, 2014).

In this way, consumers know that companies have made efforts to conserve nature (Moisander, 2007). It is very important for customers to develop this green awareness (Cherian & Jacob, 2012). Previous research studies have been carried out on consumers' perceptions or attitudes towards green products (Suki, 2013; Hussain, et al, 2014; Ayodele, et al, 2017). Bali as an island that is very concerned with awareness of sustainability has regulation No. 36 on 4 October 2018 and governor's regulation no. 97 on December 21, 2018 concerning the use of plastics.

But in reality, many consumers continue to make purchases of products that do not care about the green environment. Environmental damage is getting worse, like global warming, depletion of the ozone stratosphere until sea and river pollution. The damage that happened leads to environmental degradation although not headed to dangerous levels, already headed at levels that reduce the quality of the earth as a place to live. That happened because the price of the green product is more expensive when compared to not a green product. It means that the green product is not very important for consumers. Based on these problems, researchers want to research deeper about green awareness effects on consumers purchasing decisions. This research focused on the Z generation as a respondent.

Nature awareness is the main topic for people to worry about. To carry out a go green campaign effectively, a community section is needed. The world needs influencers to share the urgency of nature's awareness. People in Generation Z between 19-24 years are believed to carry missions. Generation Z is the generation that will feel the impact of environmental conditions the longest compared to generation X and Y, so generation Z has an interest in preserving the environment for their lives even for their children.

Generation Z has the desire to consume green products because, with technology, they can easily get information about the effects of environmental pollution. This generation is trusted because of their knowledge of nature conservation, environmentally friendly issues, and having a high awareness of natural issues (Putra, 2016). By an important part of generation Z, this can make Balinese have a high awareness of the importance of nature conservation. This can also provide a positive image for the island of Bali because Bali cares about the nature of sustainability. Generation Z in Denpasar get used to using technology to get lots of information, it causes marketers to consider generation Z to be a new market segment to improve the image of green products. Based on that explanation, deeper analysis is needed about green awareness effect on consumer's purchasing decision dan factors that influence it. These factors include environmental concern, awareness of the green product, awareness of price, and awareness of brand image. This research is important to know the effect of green awareness on consumer's purchasing decision.

Literature Review

Purchasing Decision

A purchasing decision by consumers is a collection of decisions on alternative choices available. Mramba (2015) state that consumer's purchase decisions are influenced by many factors, including personal, psychological, social and cultural factors, thus making it difficult for marketers to predict how consumers buy a particular product. The purchase decision is a merging process that combines knowledge about the product to improve two or more ways of choosing and choosing wrong (Peter and Olson, 2010).

Environmental Concern

According to Weigel in Joshi (2012), environmental care can be considered as attention to facts and behavior from oneself with certain consequences for the surrounding environment.

Awareness of Green Product

An environmentally friendly product has the characteristics of non-toxic or contain hazardous materials (non-toxic), grows organically, can be recycled, not tested on animals, does not cause pollution to the environment, minimal packaging, and contains natural ingredients, ingredients recycling, and permitted chemicals (Pavan 2010 in Suki, 2013). While Durif et al, 2010 are of the view that environmentally friendly products are products whose raw materials, sales, utilization, and management of waste can be recycled, reducing pollution and saving energy.

Awareness of Price

Price is an attribute that consumers consider when making a product purchase decision. Consumers rarely choose environmentally friendly products if the price is more expensive (D'Souza et al, 2006 in Suki

2013). D'Souza, 2006 in Suki 2013, states that all products offered should meet the criteria for environmentally friendly products without any reduction in quality or premium prices.

Awareness of Brand Image

Djarmiko and Pradana (2015) state that brand image significantly influences purchasing decisions. Defines brand image as part of a brand that is recognizable but cannot be pronounced, such as symbols, special letter or color designs, or customer perceptions of a product or service represented by its brand.

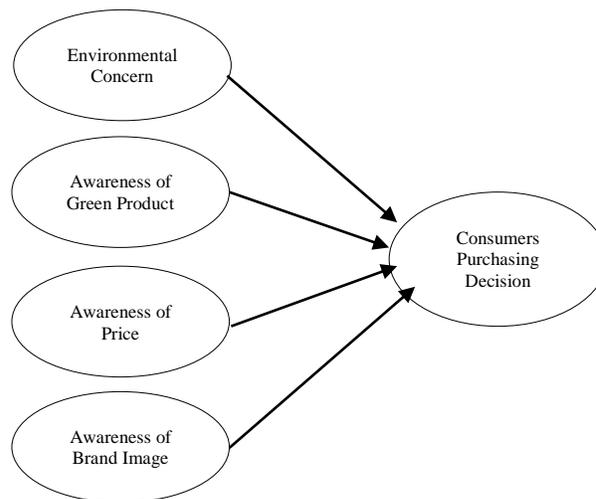


Figure 1. Conceptual Model

The Effect of Environmental Concern on Consumer Purchasing Decisions

According to Chan and Wang (2012) environmental care as a unit of dimension in which environmental care is defined as one's emotional level and commitment to environmental issues. It is characterized by the occurrence of changes in consumer behaviour in choosing green products. Research conducted by Ayodele, et al (2017) and Hussain, et al (2014) which states that environmental concern has a significant effect on consumer purchasing decisions.

H_1 : Environmental concern has a significant effect on purchasing decisions.

The Effect Awareness of Green Products on Consumer Purchasing Decisions

Durif et al (2015) stated that an environmentally friendly product is a product that designed and contained content that can be recycle and reduce the environmental damage or reduce the environmental pollution in the entire product life cycle. Awareness of environmentally friendly products means giving a comprehension to the consumers about the content, the production methods, the impact of the product to the environment and the differences between environmentally friendly product with conventional products. Research conducted by Hussain, et al (2014),

Rumpoko (2016) Santoso & Fitriyani (2016) dan Azmi (2016) which states that awareness of green product has a significant effect on consumer purchasing decisions.

H₂ : Awareness of green product has a significant effect on purchasing decisions.

The Effect Awareness of Price on Consumer Purchasing Decisions

Consumer purchasing decision is influence by price of a product. Consumers always prefer to purchase or buy those products which have low prices as compare to other product and less from market. Incase to purchase those products or goods which are environmentally friendly goods or products are more expensive as compare to ordinary products which are harmful for health and environment. Research conducted by Suki (2013), Ayodele, et al (2017) and Rumpoko (2016) which states that awareness of price has a significant effect on consumer purchasing decisions.

H₃ : Awareness of price has a significant effect on purchasing decisions.

The Effect Awareness of Brand Image on Consumer Purchasing Decisions

Brand image is a picture or impression caused by a brand in the minds of customers. Placement of the brand image in the minds of consumers must be done continuously so that the brand image created remains strong and can be received positively. When a brand has a strong and positive image in the minds of consumers, the brand will always be remembered and the possibility of consumers to buy the brand in question is very large. Research conducted by Suki (2013) and Hussain, et al (2014) which states that awareness of brand image has a significant effect on consumer purchasing decisions.

H₄ : Awareness of brand image has a significant effect on purchasing decisions.

Methodology

This research was conducted in Denpasar, Bali by taking the subject of teenagers in Denpasar. Margareta (2018) have explained that generation Z is the most interested in being actively engaged in environmental protection activities. Sampling in this study used a purposive sampling method. According to Sugiyono (2016) purposive sampling is a sampling technique with certain considerations. In this study the consideration is respondents aged 19-24 years, because it is part of generation Z which is considered still relevant for answering questionnaires. The Generation Z consumers are strongly influenced in their purchasing decisions by peer contact by Irene, et al (2019). Another consideration is respondents who have heard or read information about environmental issues because they are considered capable of understanding and being able to answer questions in the questionnaire in accordance with the experience gained. One form of purchasing behavior that is developing rapidly in generation Z is hedonic purchasing behavior by Andre and Megawati (2018).

Insofar, the application of TPB in green marketing studies have yet to include another individual factor that may influence Generation Z green purchasing decision, namely social visibility by Mohd Nazri, et al (2017). The number of sample members or the size of the sample (sample size) is determined with the consideration that states, that the number of samples can be determined from the number of indicators in the model multiplied by five to 10 (Hair, et al, 2010). Because the number of indicators in this study was 18 items, the sample size was between 90-180. Based on practicality and cost considerations, the number of samples used was 108.

Findings and Discussion

Table 1. Hypothesis Testing Results

	Significance	<i>T-Statistics</i>	Conclusion
EC → CPD	0,671	0,426	H1 Rejected
AGP → CPD	0,031	2,183	H2 Accepted
AP → CPD	0,000	6,463	H3 Accepted
ABI → CPD	0,009	2,680	H4 Accepted

The Effect of Environmental Concern on Consumer Purchasing Decisions

The results of data analysis show that environmental awareness has a positive and not significant effect on purchasing decisions. This result can be seen from the significance value of 0.671 with a t-statistics value of 0.426. This study is in line with research conducted by Suki (2013) and Rumpoko (2016), while the results of this study contradict research conducted by Ayodele, et al (2017) and Hussain, et al (2014).

The Effect Awareness of Green Products on Consumer Purchasing Decisions

The results of the data analysis show that awareness of green products shows a positive and significant impact on purchasing decisions. This result can be seen from the significance value of 0.031 with a t-statistics value of 2.183. This study is in line with research conducted by Hussain, et al (2014), Rumpoko (2016) Santoso & Fitriyani (2016) and Azmi (2016), while the results of this study contradict the research conducted by Suki (2013) and Mantiaha, et al (2016).

The Effect Awareness of Price on Consumer Purchasing Decisions

The results of data analysis show that concern for price has a positive and significant effect on purchasing decisions. This result can be seen from the significance value of 0,000 with a t-statistics value of 6,463. This study is in line with research conducted by Suki (2013), Ayodele, et al (2017) and Rumpoko (2016).

The Effect Awareness of Brand Image on Consumer Purchasing Decisions

The results of data analysis show that concern for brand image has a positive and significant effect on purchasing decisions. This result can be seen from the significance value of 0,009 with a t-statistics value of 2,680. This study is in line with research conducted by Suki (2013) and Hussain, et al (2014), while the results of this study contradict research conducted by Rumpoko (2016).

Conclusion and Future Research

Based on the results of the discussion it can be concluded as follows, (1) environmental concern has a positive and not significant effect on purchasing decisions. This means that consumers care for the environment is not an important factor in making decisions

to make purchases by consumers. There are still other factors that are more important in consumer purchasing decisions. (2) awareness of green products has a positive and significant effect on purchasing decisions. This means that high consumer awareness of environmentally friendly products such as the availability, benefits and features of environmentally friendly products can make it easier for consumers to make purchasing decisions. Marketers can increase consumer awareness of environmentally friendly products by massive Green Advertising to increase purchases of environmentally friendly products. (3) price concern has a positive and significant effect on purchasing decisions. This means that consumers tend to look for products with lower prices than other products and lower than market prices. Usually environmentally friendly products are smaller in size at a premium price. However, there are groups of consumers who are willing to pay a higher price for environmentally friendly products. (4) concern about brand image has a positive and significant effect on purchasing decisions. This means that consumer awareness of brand image is an important factor in making purchasing decisions. Brand image seen from the attributes, features and quality offered by the product. Consumers buy a product not because who is the maker and who is the user, but because of the content and quality of the product.

Research topics on Green awareness, especially related to purchasing decisions have not been done much in Bali, while the opportunity for Bali to become a world trend setter tends to be large. there are many classes of consumers other than generation Z, such as generation Y or with consumers cluster with other theoretical approaches that can be researched in Bali to obtain more

varied results so that they can provide additional benefits of reference or knowledge for subsequent authors. Subsequent research can add several variations of new variables to increase the reference approach to the topic of green awareness and test existing concepts.

Notes on Contributors

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