

Impact of Gender on Green Product Purchase Intention in Millennial Generation

Robetmi Jumpakita Pinem

Department of Business Administration, Faculty of Social and Political Sciences, Diponegoro University.
robetmijumpakita@yahoo.com

Abstract—Consuming friendly-environmental products aims to decrease the environmental damage, which environmental degradation has become a significant concern around the world. This study aims to investigate social influence, eco-label, price sensitivity that influence consumers purchase intention on green product. The total number of respondents was 206 respondents, male 85 respondents (41.3%) and 121 respondents (58.7%) were women. Data were analyzed using AMOS software. Social influence, eco label and price sensitivity have significant effect on purchase intention. Results of the t-value moderation of the gender group it can be seen that value of all t-value (absolute) > 1.96 with $\alpha = 5\%$. Can

be concluded that gender is moderating of the gender group. It can be interpreted that there is a significant influence for gender moderation on each variable. If between two groups of gender is compared based on the path coefficient value, it can be seen that the effect of each social influence and eco label variable on purchase intention in male respondents is higher than in the female group. While the influence of price sensitivity variables on purchase intention in male respondents is lower than in the female group.

Keywords: green product, purchase intention, social influence, eco-brand, price sensitivity

Introduction

Climate change is one of the most-discussed issues around the world, and people, either individual or group, made many efforts. Both in United States and Europe, businesses have discovered that in future customers purchase decision will be based upon environmental considerations. This phenomenon is called green marketing (Lampe and Gazdat, 1995). It is no doubt that the earth's function to provide comfort to people has slowly diminished. For example, during the day, the heat from the sun would sting that it would feel burnt on our skin, as the effect of ozone layer thinning out. In today's world, the planet needs our help. Our abuse and misuse of resources has put the planet in a difficult predicament, and we are the only ones that can stop the detriment. While it can be difficult to make a huge difference as one person, conserving resources and using eco-friendly products is a great way for each person to participate in the preservation of our planet and ecosystem. Therefore, in order to maintain the environment's sustainability, some organizations which concerned with the environment have carried out some campaigns to encourage the whole society to protect the environment. One of the ways is to use friendly-environmental products to reduce environmental damage, by using proactive approach which means

using natural resources in producing products in order to reduce the waste yielded. Also, various customers started considering nature protection as a central factor to incorporate in their buying decisions, increasing realization that environmental protection is not just a task to be performed by government institutions or organizations, but is each citizen's responsibility.

Their eco-knowledge and perceived behavior control will make them realize the importance of consuming organic food. When it comes to purchasing food, they will be aware of the eco-labeled product. Moreover, social influence can also affect their decision to purchase organic food. Kuenzel and Musters (2007), presents weak evidence of social influence in the consumption of low-involvement products. To sum up, studies in sustainable consumption mainly focus on individual factors influencing the decision to buy green products and the impact of social influence and context has not yet been fully explored. However, the eco-labelled product purchase intention could be influenced by price sensitivity, which decreases their intention to purchase organic foods even if the food packaging has been more and more attractive. It is because the price of organic food is higher than non-organic food. Self-signal can also affect purchase intention because they have the self-awareness to pay more attention to health and the environment than other people do.

is the most important factor, which influences the green purchase[2].

H1: There will be a significant relationship between social influence and purchase intention on organic food

Literature Review

Social Influence

Wahid et al discovered that social influence was positively and significantly contributing to purchase intention on green product [1]. Lee, Kaman also found out in Hong Kong's consumers, social influence was the most important predictor green purchasing behavior. In addition, Wahid et al proposed that the social influence

Eco-Label

Eco-label is a number of ways which marketers convey environmental benefits of products; one is through general or specific product claims on product labels, for example, "ecofriendly", "environmentally safe",

“recyclable”, “biodegradable” and “ozone- friendly” Muslim and Indriani found that eco label has a significant effect to purchase intention[3]. proposed that the ecological label is an important way of reaching and communicating environmental justifications of products to the consumer since a relatively large number of consumers always read labels and consider the information provided to be accurate. In addition, consumers always read the labels and satisfaction with the information on product labels[4].

Businesses should not overlook the significance of environment labeling as it acts as a powerful tool for achieving and maintaining green product positioning and creating an effective competitive advantage, green product labels can be used for positioning the product's image and as a product differentiator.

Nehamahajan, Wahid et al and Chekima et al also show that consumers were aware of the eco label, eco-label as the positively significant variable related to actual purchase behavior and eco label green products were recognizable to the consumers. They could easily identify green products when they made a purchase but they doubted the trustworthiness of those labels[5][6].
H2: There will be a significant relationship between eco-label and purchase intention.

Price Sensitivity

Companies generally charge a premium for green products while consumers are usually sensitive towards price; they are willing to buy eco-friendly products, but not at higher prices. Thus, if the price of the product is higher than their expectations, it will undermine the effect of their green attitude and increase the attitude-behavior gap in green purchasing[7]. Generally, organic food price is higher than non-organic food. There is a general consensus that this is because of the higher price and limited availability of organic food, who buys organic food have been disappointing, most consumers buy organic food but only some of the time and hence they switch between organic food and conventional. organic consumer accepts longer travelling distance, presumably because organic food has a lower storage life, so consumer needs to go to shop more often and organic shop is less common; people thus have to spend more time to reach them. An organic product price has a positive effect on the intention to buy organic products (Kavaliauske & Ubartaite, 2014. Hence, the willingness of the consumer to pay more for green personal care product is influencing the decision of the consumer that is driven by the environmental attitudes when come to purchasing of green personal care products.

H3: There will be a significant relationship between price sensitivity and purchase intention of Indonesian consumer.

Methodology

This study aims to investigate influence, eco label and price sensitivity that influence consumers to purchase green product in millennial generation. A pretest was conducted to corroborate the reliability of the questionnaire. Total 50 participants of age between 17 until 30 who have bought green product participated in the pretest. After they finished the questionnaire. overall the questionnaire to improve wordings to make easier to fill the questionnaire. The total number of respondents was 206 respondents, male 85 respondents (41.3%) and 121 respondents (58.7%) were women. Data were analyzed using AMOS software.

Result

The total number of respondents were 206 respondents, 85 respondents were male (41.3%) and 121 respondents (58.7%) were women.

Table 1. Composite Reliability Test

		Estimate (Standardized)	λ^2	Error	CR	AVE
<i>Social Influence(SI)</i>	SI1	0,91	0,828	0,172	0,876	0,645
	SI2	0,93	0,865	0,135		
	SI3	0,673	0,453	0,547		
	SI4	0,658	0,433	0,567		
<i>Eco Label (EL)</i>	EL1	0,777	0,604	0,396	0,877	0,547
	EL2	0,844	0,712	0,288		
	EL3	0,758	0,575	0,425		
	EL4	0,777	0,604	0,396		
	EL5	0,7	0,490	0,510		
	EL6	0,545	0,297	0,703		
<i>Price Sensitivity (PS)</i>	PS1	0,732	0,536	0,464	0,802	0,503
	PS2	0,69	0,476	0,524		
	PS3	0,756	0,572	0,428		
	PS4	0,656	0,430	0,570		
<i>Purchase Intention (PI)</i>	PI1	0,612	0,375	0,625	0,920	0,662
	PI2	0,872	0,760	0,240		
	PI3	0,858	0,736	0,264		
	PI4	0,923	0,852	0,148		
	PI5	0,839	0,704	0,296		
	PI6	0,738	0,545	0,455		

On the table above, it can be seen that the value of variance extracted for the Social Influence (SI) variable is 0.645 which indicates that 64.5% of the information contained in the four indicators can be reflected through the latent variable Social Influence (SI). Then the value of construct reliability (CR) of 0.876 is greater than 0.7, indicating that the four indicators have consistency in measuring the latent variable Social Influence (SI).

Variance extracted value for the Eco Label (EL) variable is 0.547 which shows that 54.7% of the information contained in the six indicators can be reflected through the Eco Label (EL) latent variable. Then the value of construct reliability (CR) of 0.877 is greater than 0.7, indicating that the six indicators have consistency in measuring the latent variable Eco Label (EL).

Variance extracted value for Price Sensitivity (PS) variable is 0.503 which shows that 50.3% of the information contained in the four indicators can be reflected through the Price Sensitivity (PS) latent variable. Then the value of construct reliability (CR) of 0.802 is greater than 0.7, indicating that the four indicators have consistency in measuring the latency variable Price Sensitivity (PS). Variance value extracted for Purchase Intention (PI) variable is 0.662 which indicates that 66.2% of the information contained in the six indicators can be reflected through the Purchase Intention (PI) latent variable. Then the value of construct reliability (CR) of 0.920 is greater than 0.7, indicating that the six indicators have consistency in measuring the Purchase Intention (PI) latent variable.

Estimation of the Full Model

Table 2. Index Fit Model Structural

Index fit	Result	Recommendation score	Evaluation model
Chi-Square	477,677		
Probabilities	0,000	> 0,05	
Chi-Square/DF	1,913	< 2	Marginal
GFI	0,897	> 0,90	Marginal
RMSEA	0,077	< 0,08	Good
AGFI	0,865	> 0,90	Marginal
TLI	0,866	> 0,90	Marginal
CFI	0,884	> 0,90	Marginal

Based on the table above can be seen the results of the overall model suitability testing using the X2 test (chi-square) obtained a value of 477,677 with a p-value of 0,000. When referring to the X2 test results, the model obtained in overall fit. Seen from other criteria such as GFI, TLI and CFI it can be concluded that the data is fit and is in accordance with empirical data. So that it can proceed at the next stage.

Path Analysis

Table 3. Estimation results of the Path Coefficient and Statistical Test (Standardized)

Path	Standardized Coefficient	Unstandardized Coefficient	C.R.	p-value	R-square
SI → PI	0,392	0,212	5,360	0,000	0,576
EL → PI	0,362	0,266	4,181	0,000	
PS → PI	0,168	0,122	2,129	0,033	

Through the data contained in the table above, it can be seen that social influence, eco label and price sensitivity have an effect of 57.6% on purchase intention.

Hypothesis testing

The Influence of Social Influence (SI) on Purchase Intention (PI)

Estimation results of the Path Coefficient and Statistical Test can be seen from the results of testing the fourth hypothesis shows that the relationship of Social Influence to Purchase Intention (PI) is indicated by the value of the path coefficient of 0.392 with a t_{count} of 5.360 and a p value of 0.000. Because P value (0,000) < 0,05 and t_{count} value is 5,360 > 1,96 then H4 is accepted. it can be concluded that social influence has a significant effect on purchase intention. the influence of social influence on purchase intention is 0.392. the path coefficient has a positive sign meaning that if social influence increases then purchase intention will also increase.

The Influence of Eco Label (EL) on Purchase Intention (PI)

The estimation results of the path coefficient and statistical test can be seen from the results of testing the first hypothesis shows that the relationship between Eco Label to Purchase Intention is indicated by the path coefficient value of 0.362 with a t_{count} of 4.181 and a p value of 0.000. Because P value (0,000) < 0,05 and t_{count} value is 4,181 > 1,96 then H5 is accepted. It can be concluded that eco label has a significant effect on purchase intention.

The influence of eco label on purchase intention is 0.362. the path coefficient has a positive sign, meaning that if

eco label increases, the purchase intention will also increase.

The Influence of Price Sensitivity (PS) on Purchase Intention (PI)

The estimation results of the path coefficient and statistical test can be seen from the results of testing the third hypothesis shows that the relationship of price sensitivity to purchase intention is indicated by the value of the path coefficient of 0.168 with a t_{count} of 2.129 and p value of 0.033. P value (0.033) < 0.05 and the t_{count} value is 2.129 > 1.96 then H6 is accepted. It can be concluded that price sensitivity has a significant effect on purchase intention. The effect of price sensitivity on purchase intention is 0.168. The path coefficient has a positive sign, meaning that if price sensitivity increases, purchase intention will also increase.

The Influence of Gender as Moderator Variable in related to Social Influence (SI), Eco Label (EL) and Price Sensitivity (PS) on Purchase Intention (PI)

Gender moderator variable testing was conducted following the stages as previously stated, namely by dividing the data group according to moderation in this case the group of men and women's groups and then processing using AMOS 20 and the last is comparing the difference in path values coefficients from the data group.

Testing by involving the gender moderator variable is done by looking at the gender influence which consists of male and female categories. The following are the results of Standardized by involving Gender moderator variables.

Path Coefficient Gender Group

Table 4. Structural Path Coefficient Model on Male Respondent

Path	Standardized coefficient	Unstandardized coefficient	S.E.	C.R.	p-value
SI → PI	0,174	0,049	0,034	1,420	0,156
EL → PI	0,054	0,018	0,045	0,391	0,696
PS → PI	0,344	0,107	0,055	1,941	0,052

Table 5. Structural Path Coefficient Model on Female Respondent

Path	Standardized coefficient	Unstandardized coefficient	S.E.	C.R.	p-value
SI → PI	0,472	0,180	0,060	2,982	0,003
EL → PI	0,413	0,265	0,107	2,484	0,013
PS → PI	-0,003	-0,002	0,078	-0,028	0,977

Right after knowing the value of Standardized Coefficient and Standard Error from each group data (Male and Female) , afterwards, the upcoming step is to find the t-value by comparing the difference of Standardized Coefficient from the two groups with the formula below :

$$t = \frac{Path_{sample_1} - Path_{sample_2}}{\sqrt{S.E_{sample_1}^2 + S.E_{sample_2}^2}}$$

Table 6. The Calculation Result of tcount Value on Gender Moderation

		Male	Female	t_{count}	Conclusion
SI to PI	Path	0,472	0,174	4,321	Moderation
	SE	0,060	0,034		
EL to PI	Path	0,413	0,054	3,093	Moderation
	SE	0,107	0,045		
PS to PI	Path	-0,003	0,344	-3,636	Moderation
	SE	0,078	0,055		

Results of the t-value moderation of the gender group it can be seen that all t-value values (absolute) > 1.96 with $\alpha = 5\%$. Then it can be concluded that gender is moderating. It can be interpreted that there is a

significant influence for gender moderation on each variable. If between two groups of gender is compared based on the path coefficient value, it can be seen that the effect of each social influence and eco label variable on purchase intention in male respondents is higher than in the female group. While the influence of price sensitivity variables on purchase intention in male respondents is lower than in the female group.

Discussion

Results of the t-value moderation of the gender group it can be seen that value of all t-value (absolute) > 1.96 with $\alpha = 5\%$. Can be concluded that gender is moderating of the gender group. It can be interpreted that there is a significant influence for gender moderation on each variable. If between two groups of gender is compared based on the path coefficient value, it can be seen that the effect of each social influence and eco label variable on purchase intention in male respondents is higher than in the female group. While the influence of price sensitivity variables on purchase intention in male respondents is lower than in the female group.

It should be noted that gender factors in the millennial generation to promote the use of green products because of the three variables studied differed between male and female groups.

Implications

Therefore, companies should strive to educate consumers to become more aware and knowledgeable about green product because those who have knowledge about green product would consider buying green product. Companies also should promote eco-label on their products as consumer consideration to purchasing green product. In addition, the company should also be more aware of consumers that the eco-label is an accurate and assured sign to increase consumer desire to buy green product that has an eco-label. The government should set up a strict regulation on eco-labeling and the provision of friendly-environmental products since people believe that the label issued by the government as a sign of green product that has become one of considerations of consumers to purchase green product.

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