



# How Can Brand Image Mediate the Effect of Green Marketing on Purchase Intention in Fast-Food Industry?

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**Abstract.** People are beginning to alter their lifestyles to reduce the use of plastic materials because waste management is still a problem in Indonesia. As a result, green marketing is currently a trend in society and customers are more interested in brands that practice it. This study examines the effect of green marketing on purchase intention with brand image as mediator variable. This research used the quantitative approach with a descriptive and explanatory research design. The study used 157 respondents who are Instagram users that follow Zero Waste Indonesia. The researchers used Partial Least Square (PLS) for analysis method. The results showed that brand image and green marketing have a positive and significant effect on purchase intention. This researcher also proved that green marketing also have a positive effect on brand image. Moreover, this study confirmed that brand image can mediate the relationship between Green Marketing and Purchase Intention.

**Keywords:** Green Marketing · Purchase Intention · Brand Image · Fast Food Restaurant

## 1 Introduction

In the current era, the use of plastic materials has become a significant issue in the world of waste management [1] because the plastic price is cheap and easy to find, that is causing the use of plastic materials is increasing. Today's society is struggling to live without plastic [2] because daily consumed goods mostly contain plastic material. In addition, alternative materials are not available massively yet as plastic.

The facts show that there has been an increase in plastic waste from the industrial sector by 22.74% during the first half of 2019, especially plastic straws, food and beverage packaging, and single-use plastic bags. All of them will take years to decompose naturally. Otherwise, the level of waste management in Indonesia is minimal, causing about 45% of plastic waste has managed improperly every year. The government needs to take seriously and the community so that there is no increase in plastic waste in the future. Thus, the millennial generation is now starting to implement an eco-living lifestyle and minimal plastic waste [3] and create a campaign calling for an invitation

to minimize the use of plastic materials and from the industrial sector by reducing the use of packaging and plastic straws. The companies that increase the green marketing campaign with eco-friendly fliers can increase sales revenue, consumer awareness, and intention to purchase their products [4].

One of the players from the fast food industry sector began to create the #Mulai-TanpaSedotan campaign, which is an invitation to reduce the use of plastic straws as a form of concern for the problem of plastic waste in Indonesia. Furthermore, this company has committed to improving the sustainability of all packaging used to achieve international global goals, it is named one hundred percent of the equipment used by consumers is made of environmentally friendly materials, can be recycled, certified by 2025, and recycled consumer tableware. Meanwhile, Zero Waste Indonesia (ZWID) is the first online-based community in Indonesia that aims to invite Indonesians to live a zero-waste lifestyle by minimizing the production of waste generated by each individual to preserve the environment [5].

Buying interest or Purchase Intention is a research variable that influences company performance. It is the behavior of people who use their knowledge and experience to select and decide the goods and services that they desire. It is also explained by [6] that buying interest is a consumer attitude that shows a tendency to buy a product or service after seeing an advertisement for the product or service. The behavior of consumer tendencies after seeing ads can be essential elements in consumer buying interest. The indicators of the Purchase Intention variable are (1) Transactional interest; (2) Referral interests; (3) Preferential interest; (4) Exploratory interest.

Green Marketing is a company's strategic marketing policies and methods related to environmentally friendly themes and management processes that can recognize, expect, and adapt to consumer attractiveness [7]. Environment-friendly issues can generate profits and maintain sustainable management. Currently, green marketing is no longer something specific but a general need that is very important to implement. The emergence of environmentally friendly shows a favorable attraction for broader where green-growth communities around the world to accept it. This research used four indicators of Green Marketing as follows: (1) Green Product; (2) Green Price; (3) Green Place; (4) Green Promotion.

While the notion of Brand Image is a part of the branding process for marketing and advertising. Building a good brand image is essential to ensure the message of a brand identity is delivered to consumers [8]. In addition, from previous studies, Wu [9] stated brand image represents a public image of a company that can be seen from the evaluation and concern of consumers for a brand in the market. Indicators of the Brand Image variable which is used in this research are followed (1) Attractiveness; (2) Reliability; (3) Reputation.

This research was conducted in the food and beverage industry, especially in the fast food sector, because research related to Green Marketing is still rarely conducted in the industry, especially in Indonesia. Nearly all the research related to Green Marketing was conducted in the cosmetic industry as done by [10] where in this study it was concluded that attitudes towards cosmetic products that carried the theme of Green Marketing were divided into three factors, namely Green Products packaging, location of Green Products, and Green Products prices and recommendations.

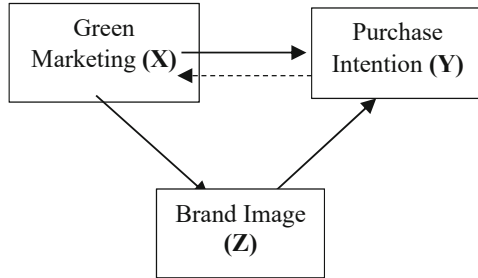
**Table 1.** Research Indicators

| <b>Variable</b>                | <b>Indicator</b>                 | <b>Items</b>  |
|--------------------------------|----------------------------------|---|
| <b>Green Marketing</b>         | <b>Green Products</b>            | Using materials that are safe for the environment   |
|                                |                                  | The production process is carried out in a way that does not damage the environment                   |
|                                |                                  | Using materials that can always be updated or recycled  |
|                                | <b>Green Price</b>               | There is an increase in costs   |
|                                |                                  | Higher product price  |
|                                | <b>Green Place</b>               | The location used looks clean   |
|                                |                                  | The location used is not polluted by company waste  |
|                                | <b>Green Promotion</b>           | Promotion of advertising that connects the product or service with the environment directly           |
|                                |                                  | Promotions that display the company's image of its responsibility to the environment                  |
|                                | <b>Purchase Intention</b>        | <b>Transactional Interest</b>   |
| Consumers tend to buy products |                                  |   |
| <b>Referral Interest</b>       |                                  | Consumers tend to talk about products to other consumers  |
|                                |                                  | Consumers are willing to suggest products to other consumers  |
| <b>Preferential Interest</b>   |                                  | Consumers intend to make the product their first choice   |
|                                |                                  | Consumers tend to choose a particular product even though there are products with the same advantages |
| <b>Explorative Interests</b>   |                                  | Consumers find out more about the product   |
|                                |                                  | Consumers ask other people about the product  |
| <b>Brand Image</b>             | <b>Attractiveness _</b>          | Brand has its own charm   |
|                                |                                  | Products from these brands attract a lot of attention of consumers                                    |
|                                | <b>Reliability (Reliability)</b> | Brand has good reliability and performance  |
|                                |                                  | Brands can be trusted by consumers  |
| <b>Reputation _</b>            | Brand has a good reputation      |   |

*(continued)*

**Table 1.** (continued)

| Variable | Indicator | Items                             |
|----------|-----------|-----------------------------------|
|          |           | Brands don't disappoint consumers |



**Fig. 1.**

Therefore, researchers conducted this evaluation to know the impact of Green Marketing on Purchase Intention mediated by Brand Image in the fast food industry in Indonesia (Table 1).

## 2 Literature Review

Previous research from Chalimatuz et al. [11] discovered that the company's brand image from the customer's perspective appears when customers know the company's positive actions, one of which is a green marketing strategy. With a good brand image, customers will be interested in purchasing products from the company even though there are products of the same quality from other companies.

The conceptual framework of the research as shown in Fig. 1.

Several research hypotheses are prepared by the research framework as follows:

From previous research, it can be stated that consumers have a positive attitude about protecting the surrounding environment so they are willing to buy and use environmentally friendly products more often. Now consumers are starting to appreciate environmental issues gradually so that even in a declining economic condition they are still willing to buy environmentally friendly products. From the previous research, Hypothesis 1 can be created, namely:

H1: Green marketing has a direct and significant effect on purchase intention.

Companies that use green marketing be liable to improve their brand image. Due to increasing consumer awareness of the environment, the selection of environmentally friendly products has become a trend among green consumers. From the previous research, Hypothesis 2 can be created, namely:

H2: Green Marketing has a direct and significant effect on Brand images.

A good corporate brand image will create a distinct impression on the minds of consumers which will result in consumers preferring the product. The *brand image* of a

company that is perceived by consumers will affect the evaluation and product selection which ultimately affects the *Purchase Intention*. From the previous research, Hypothesis 3 can be created, namely:

H3: Brand Image has a direct and significant effect on Purchase Intention.

Customer's perspective of company brand image actively when the company applies positive action like a green marketing strategy. With a good brand image, customers will be interested in purchasing products from the company even though there are products with the same quality in other companies. From the previous research, Hypothesis 4 can be created, namely:

H4: Green marketing has a direct and significant effect on purchase intention mediated by brand image.

### 3 Research Methods

The research approach used is quantitative, so obtaining research conclusions requires statistical tools. This research is descriptive and explanatory. In this study, explanatory research was used to verify the impact of green marketing on purchase intention through brand image on an fast-food restaurant through followers of the Zero Waste Indonesia Instagram account.

Descriptive research is fact-finding with the proper interpretation. Descriptive research studies problems and procedures that apply to society. The population in this study are followers of the Zero Waste Indonesia Instagram account who are interested in buying fast-food restaurant products, is infinite population. The non - probability sampling technique was used by applying the accidental sampling method. The instrument in this research is a closed questionnaire consisting of several questions, and each question has five alternative answers available. They distributed questionnaires for two weeks and got 157 of respondents. The researchers used Partial Least Square (PLS) for analysis method.

### 4 Result and Discussion

The data analysis technique with SEM-PLS carried out in this study used two stages of testing, namely the outer model to test the validity and reliability of each indicator on the variables and the inner model to determine the relationship between variables (latent constructs).

#### 4.1 Test Outer Model

The first stage in the outer model test is carried out with a convergent validity test to test the correlation between items/indicators in measuring the construct. Average Variance Extracted can be used to determine each indicator's convergence validity for measuring variables (AVE). If an instrument's AVE is more than 0.5, it is said to pass the convergent validity test. Table 2 lists the findings of the convergent validity test performed using AVE:

**Table 2.** Convergent Validity Test Results

| Variable           | AVE   | Information |
|--------------------|-------|-------------|
| Green Marketing    | 0.505 | Valid       |
| Brand Image        | 0.641 | Valid       |
| Purchase Intention | 0.670 | Valid       |

**Table 3.** Discriminant Validity Test Results

| Variable           | Green Marketing | Brand Image | Purchase Intention |
|--------------------|-----------------|-------------|--------------------|
| Green Marketing    | (0.711)         | 0.637       | 0.682              |
| Brand Image        | 0.637           | (0.801)     | 0.651              |
| Purchase Intention | 0.682           | 0.651       | (0.818)            |

**Table 4.** Cronbach's Alpha and Composite Reliability

| Variable           | Cronbach's Alpha | Composite Reliability |
|--------------------|------------------|-----------------------|
| Green Marketing    | 0.764            | 0.902                 |
| Brand Image        | 0.885            | 0.924                 |
| Purchase Intention | 0.866            | 0.934                 |

Based on the Table 2, it can be seen that all variables produce AVE value greater than 0.5. Thus, all indicators that measure these variables are declared valid. Next, a discriminatory validity test was conducted to test the indicator items from two constructs that should not be highly correlated, there is no correlation between construct indicators calculated using the square root of AVE with the criterion of the AVE square root value in a variable greater than the correlation value between latent constructs. The results of the calculation of Discriminant Validity are presented in Table 3:

The three variables produce the AVE square root which is larger than the AVE square root in the other variables. Thus, the three variables were declared valid and the respondents had no difficulty answering the questionnaire questions.

The model reliability test was conducted by evaluating the value of Cronbach's alpha and composite reliability. The test criteria state that if both have a value greater than 0.7 the construct is declared reliable. In the following table, it can be seen that *composite reliability* and Cronbach's alpha have a value greater than 0.7 so that the measurement in this study is reliable (Table 4).

**Table 5.** R-Squared and Q-Squared

| Variable           | R-Squared | Q-Squared |
|--------------------|-----------|-----------|
| Brand Image        | 0.484     | 0.483     |
| Purchase Intention | 0.503     | 0.509     |

**Table 6.** Hypothesis Test

| Exogenous       | mediator    | Endogenous         | Path Coefficient | Indirect Coefficient | SE    | P-value |
|-----------------|-------------|--------------------|------------------|----------------------|-------|---------|
| Green Marketing | -           | Purchase Intention | 0.350            | -                    |       | <0.001  |
| Brand Image     | -           | Purchase Intention | 0.425            | -                    |       | <0.001  |
| Green Marketing | -           | Brand Image        | 0.698            | -                    |       | <0.001  |
| Green Marketing | Brand Image | Purchase Intention | -                | 0.296                | 0.053 | <0.001  |

## 4.2 Inner Model Test

Testing the inner model or structural model is done by evaluating the R-squared and Q-squared values. In Table 5 the R-squared value on Brand Image is 0.484, indicates that the diversity of Brand Image variables can be explained by the Green Marketing variable of 48.4%. Meanwhile, the R-squared value of Purchase Intention is 0.503, it shows that the diversity of the Purchase Intention variable can be describe by the green marketing variable and the Brand Image variable by 50.3%. The two variables are also declared to have predictive relevance because the Q-Squared value produced by the endogenous variable (Brand Image)  $> 0$  and is suitable for predicting.

The next step is to analyze how exogenous variables affect endogenous variables directly and indirectly. According to the test criteria, there is a positive and significant impact of exogenous factors on endogenous variables because the path coefficient is positive and the p-value is less than 0.05 (significance level = 5%).

Based on Table 6, the results of hypothesis testing can be analyzed as follows:

- 1) In testing H1 (the effect of green marketing on purchase intention) showed a path coefficient of 0.350 and p-value  $< 0.001$ . This showed that there is a positive and significant impact between green marketing on purchase intention. Thus, H1 can be accepted.
- 2) The results of H2 test (the effect of brand image and purchase intention) showed the path coefficient of 0.425 and p-value  $< 0.001$ . This study confirmed that green marketing positively influenced on brand image and H2 can be accepted.

- 3) The result of the influence test between green marketing and brand image showed the path coefficient of 0.698 with a p-value  $< 0.001$ . This result showed that green marketing positively influenced on brand image, H3 can be accepted.
- 4) In testing H4 (the effect of green marketing on purchase intention through brand image) showed the path coefficient of 0.296 with a p-value  $< 0.001$ . The finding confirmed the role of brand image as mediator in the relationship between green marketing on purchase intention and H4 can be accepted.

### 4.3 Discussion

The results of data analysis show that green marketing influence purchase Intention positively and significantly, as well as it has an impact on Brand Image too at the fast food restaurant. While Brand Image also has a positive and significant impact on purchase intention. Moreover, Green Marketing indirectly has a positive and significant effect on Purchase Intention through Brand Image in fast-food industry. In the fast-food industry competition, green marketing is very crucial factor and competitive advantage. Many consumers are starting to pay attention to environmental issues and have an orientation towards sustainability in the future.

These results are in accordance with research [12] that consumers have a positive attitude about protecting the surrounding environment so that they are willing to buy and use environmentally friendly products more often. Likewise, research from [13] shows that it has been a positive trend among businesses to use green marketing to boost their brand image. In research conducted by Nisar & Whitehead [14] it is also stated that a good company brand image will create a distinct impression on consumers' minds which will result in consumers preferring the product. Therefore, the current trend is that customers will recognize the company's brand when they are aware of its positive actions, one of which is a green marketing strategy, so this good brand image will make customer purchases of the brand [4]. Green marketing is indeed closely related to sustainable development. Green marketing is a broader concept than just the promotion, advertising and sale of environmentally friendly products. Green marketing is needed in the concept of Sustainable Development. This is because the green marketing aspect will make consumers or the market place their trust in the company's products because of its commitment to sustainable development. Some examples of implementing green marketing are eco-friendly packaging, waste management, plastic usage reduction, and so on. Green marketing exists as a method as well as a strategy to shape the mindset of the market and industry to make it more environmentally friendly. Green marketing campaign with eco-friendly fliers can increase sales revenue, consumer awareness, and intention to purchase [4]. Environment-friendly issues can generate profits and maintain sustainable management.

## 5 Conclusions

Based on data analysis, the study concluded that there is a positive and significant effect between green marketing on purchase intention. In addition, The study showed the positive effect of green marketing on brand image. Brand image also had a positive and



significant impact on purchase intention. This study confirmed the role of brand image as mediator variable in the relationship between green marketing and purchase intention in Fast-Food Industry.

Considering the outcome of review and analysis of the data, suggestions can be made so that the object of research, Indonesian fast food restaurant, creates more unique and distinctive products accompanied by interesting promotions in order to raise curiosity in the minds of consumers so that consumers are interested in finding out more about the products. In addition, to evaluate the performance of its employees and always be open to consumer criticism so that the knows what consumers are complaining about so as to minimize the disappointment experienced by consumers. It is also recommended that Green Marketing is not only carried out in the fast food industry but also in other industry.

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