



Influencing the Positive Impact of Consumer Characteristics on Green Purchasing Decisions: Moderating Role of Peer Influence in Indonesia

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Abstract. This study investigated consumers' purchase decisions regarding green products in a fast-growing developing country, Indonesia. Drawing on the Theory of Planned Behavior (TPB) as the primary theoretical framework, the research extends the model by incorporating additional constructs such as environmental concerns, green perceived quality, green future estimation, and peer influence as a moderating variable. A quantitative technique was employed to collect data from a sample of (n = 316) young educated Indonesian consumers located on Java, the most populated island of Indonesia. The study utilized Smart partial least squares 4.0 (PLS) to analyze measurement and structural models. The empirical findings revealed that consumers' environmental concern (EC), green perceived quality (GPQ), green willingness to purchase (GWP), green awareness of price (GAP), and green future estimation (GFE) positively influenced their green purchasing decisions (GPD). However, green perceived benefits (GPB) negatively influenced green purchasing decisions of green products. The study provides valuable insights for companies, marketers, and policymakers aiming to promote green products and green marketing initiatives. Suggestions include the development of green advertising, green branding, and eco-labels to inform consumers about eco-friendly products better.

Keywords: environmental concern, green awareness of price, green consumer, green perceived benefit, green purchase decision, green purchase estimation, perceived quality, green willingness to purchase, peer influence

1 Introduction

As environmental concerns continue to rise, more people are focusing on sustainable development to protect the environment and society. Green marketing and purchasing practices are then gaining popularity.

With an emphasis on conscious green purchasing decisions and the moderating effect of peer influence, this research examines sustainable consumption practices among Indonesian university students. The existing body of knowledge regarding the factors influencing conscious green purchasing decisions is lacking, particularly when considering developing countries such as Indonesia's young, educated consumers [1]. Although several studies have examined sustainable consumption, relatively few have

likely examined the dynamics and influences that impact the decisions made by Indonesian university students. Such variables include perceptions of quality and benefits, pricing awareness, willingness to purchase, future estimation, and the critical role of peer influence. [2].

According to some studies, green purchasing behavior is the purchasing of environmentally friendly products [3], [4], [5]. Consumers measure their propensity to purchase environmentally friendly products based on their willingness, which stems from their positive attitudes toward sustainable products and commitment to green consumption values. Per the theory of planned behavior, consumer behavior influences the intentions to purchase, along with a positive outlook [6], [7], [8].

The importance of environmental concern as a critical factor in the body of research on green marketing sustainability has been demonstrated by a meta-analysis [9]. According to [10], the degree of environmental concern that consumers have influenced how they view environmental issues, especially when it comes to appreciating the importance of ecological factors for the country's general well-being.

Environmental concern (EC) is strongly correlated with green behaviors, such as consumers' willingness to pay more for green electricity, as shown by a study by [11]. Self-expressive benefits greatly influence green consumer behavior [12]. Individuals are willing to purchase environmentally friendly products or services that benefit self-expression and contribute to self-satisfaction [13], [14].

According to researchers such as [15] and [16], perceived quality is a precursor to satisfaction and behavioral intentions, potentially influencing purchase decisions. As the name implies, perceived quality does not always correspond to an object's actual quality and is more about perception than fact [17], [18]. Although previous research has used "perceived quality" and "perceived value" interchangeably, they are not entirely synonymous.

Marketers strategically influence each decision-making stage by providing relevant information that aids product evaluation. As a result, consumers must foster and enhance this green awareness. Previous studies, such as [19] and [20], [21], have delved into understanding consumers' perceptions and attitudes toward green products. Researchers have examined the precursors and outcomes of green marketing, focusing on consumers' intentions to buy environmentally friendly products and investigating how environmental awareness and knowledge contribute to tangible behavioral outcomes. Literature emphasizes the relationship's complexities.

Green purchasing is often measured using metrics like green purchase intention and behavior because it is closely related to consumers' willingness to purchase eco-friendly products [22]. It also provides insight into the factors that drive consumers' purchasing decisions [23]. According to [24], willingness to buy is the deliberate intention to make a particular effort needed for a purchase.

Conversely, researchers suggest that there is a positive correlation between environmental concern and the decision to make green purchases when considering a customer's entire purchasing behavior.

Positive consumer responses in the current market suggest possible future growth [2]. This "going-green" movement has seen global expansion because of increased awareness of the benefits of adopting healthier lifestyles [25], [26], [27]. Customers

who have positive experiences with environmentally friendly products and are satisfied with their purchases show a solid propensity to repurchase green products.

[28] Peer influence is "the encouragement from peers to engage in specific actions." Prior studies have discovered a statistically significant correlation between consumers' purchasing behavior for green products in a range of contexts, including green product purchase intention, and peer influence (friends, coworkers, family, and opinion leaders) [29], [30] and actual green consumption behavior [31], [32].

Buying products that are biodegradable, ecologically friendly, or environmentally conscious is known as green purchasing behavior [33]. Green consumers consider price, technical attributes, and environmental friendliness when deciding what to buy [34]. Choosing environmentally friendly products helps consumers reduce their environmental impact and make more resource-efficient decisions [35].

The main contributions of this research are to fill a research gap in green purchase decisions by applying the Theory of Planned Behavior (TPB) and comparing green marketing with earlier studies [36] as a theoretical framework that incorporates other concepts like peer influence, future green estimates, perceived quality of the green environment, and environmental concerns. With a focus on the younger, more educated population, the current study expands on earlier research to give consumers in Indonesia a thorough understanding of their green product purchasing decisions.

However, this study answers the following questions: 1) What aspects of green marketing affect young people's buying of environmentally friendly products in developing nations? 2) Peer functions as a moderator in the positive influence of green consumer characteristics on green purchasing decisions, which include environmental concern, price awareness, perceived benefit, purchase decision, future estimation, perceived quality, and willingness to purchase. Marketers and producers can benefit from understanding youth attitudes toward green purchases to prioritize customer needs and provide safer, healthier products.

2 Methods

This study sought to examine the green products preferred by young, well-educated consumers and assess the current state of green marketing on Java Island, Indonesia. The study employed a quantitative approach to analyze primary and secondary data to gain insight into the green purchasing behavior of the Young Education demographic.

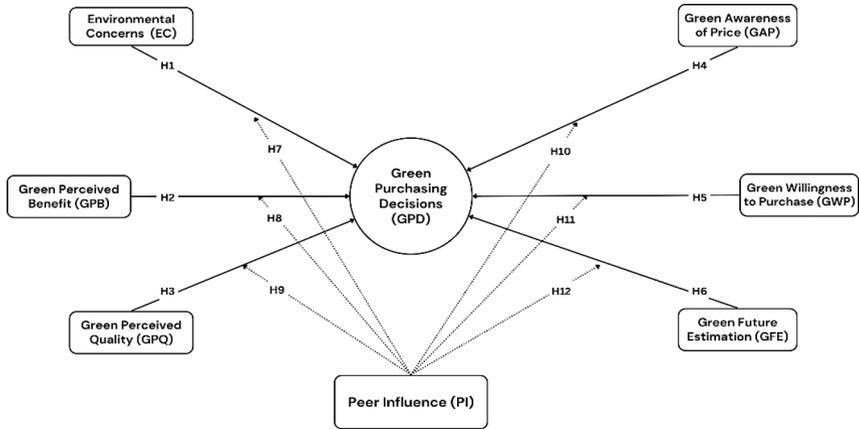


Fig. 1. Theoretical framework

Respondents included students from various institutions in Java Island, including universities. Young, informed consumers were selected because they hold the key to implementing the intended change in the purchasing patterns of green products within each demographic stratum of university students from different universities and regions. Demographic factors such as age, income, gender, and education determined the classifications. Online surveys were distributed via Google Forms to obtain a sample of 500 students. Ten respondents were eliminated due to their lack of ability, unconsciousness, and the large percentage of missing values; then, the remaining 316 were examined. A 5-point Likert scale was utilized to ask closed-ended questions, with responses ranging from strongly disagree (1) to strongly agree (5).

Data collection took place between February and March 2024. Following data collection, Smart PLS 4.0 software was used for data processing. Respondent profiles, such as gender, age, educational level, and income level, were used to characterize study participants.

Table 1 shows that the discriminant validity is confirmed ($\sqrt{AVE} >$ inter-construct correlations). Environmental Concern (EC) strongly correlates with Green Attitude (GAP, $r=0.679$), while Green Perceived Benefit (GPB) significantly influences Purchase Intention (PI, $r=0.627$). All constructs met validity criteria ($\sqrt{AVE} \geq 0.70$; correlations $< \sqrt{AVE}$), supporting the hypothesized relationships.

Table 1. Correlation Matrix and Discriminant Validity

	EC	GAP	GPB	GPD	GPQ	GWP	PI
EC	0.795						
GAP	0.679	0.802					
GFE	0.625	0.678					
GPB	0.675	0.597	0.814				
GPD	0.667	0.700	0.561	0.844			
GPQ	0.574	0.643	0.665	0.675	0.868		
GWP	0.522	0.573	0.467	0.676	0.503	0.900	
PI	0.441	0.443	0.451	0.627	0.525	0.447	0.909

3 Conclusion

This study validates that environmental concerns, green perceived quality, and peer influence positively drove green purchasing decisions among educated Indonesian youth, while perceived benefits showed insignificant effects. The findings confirm the extended TPB model's applicability in this context and highlight peer influence's crucial moderating role.

For practitioners, these results suggest emphasizing product quality and peer networks in green marketing strategies while improving transparency about product benefits. Policy interventions should support sustainable consumption through education and regulations.

Future research should expand to diverse demographics, incorporate objective data collection, and explore cross-cultural comparisons to enhance generalizability. Investigating the role of digital platforms and psychological drivers in green consumption could further refine strategies for sustainable market growth.

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