

THE INFLUENCE OF PERCEIVED QUALITY, PRICE PERCEPTION AND SOCIAL MEDIA MARKETING ON GREEN PRODUCT PURCHASE INTENTION: CASE STUDY IN INDONESIA

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Abstract. As global and Indonesian environmental conditions continue to deteriorate, sustainability has become an increasingly critical issue. Environmentally conscious consumers consider environmental factors in their purchasing decisions and seek products and brands that minimize negative environmental and social impacts. This study used purposive sampling method with 177 students from Duta Wacana Christian University, Indonesia as participants to examine the influence of perceived quality, price perception and social media marketing as predictors of green product purchase intention in the digital era. The research used survey methods with questionnaires, and the researchers used purposive sampling as the sampling technique. Multiple regression analysis was used to process the data and evaluate the research model and hypotheses. The results of hypothesis testing indicate that all the predictors have a positive and significant effect on green product purchase intention. The findings suggest that companies wishing to sell green products must be aware of the quality of their green products, exercise caution in setting pricing policies, and consistently use social media to promote their products to young consumers in Indonesia.

Keywords: perceived quality, price perception, sustainability, social media marketing, purchase intention.

JEL Classification: M31

1. Introduction

Throughout the 80s and 90s, green marketing was born to meet this need and develop goods that do not harm the environment. Green marketing presents outstanding benefits to society and the environment but also provides excellent benefits to companies. Given this advantage, many organizations started to invest in environmental campaigns to conquer the market and also raise awareness among consumers. However, some organizations, with a focus only on attracting consumers, use claims that appear to be environmentally friendly but instead use vague and fake terms, hindering the understanding and trust by the consumer concerning the veracity of green products (Nygaard & Silkoset, 2022). Green consumers consider environmental issues in their purchasing decisions, looking for

products and brands that minimize damage to the environment and society (Sofia Gomes et al., 2023). The growing concern about environmental protection and compliance with the 2030 Agenda significantly influences consumer behavior. In this context, sustainable consumption is a practice that aims to reduce the negative environmental and social impacts generated by consumption (Lopes et al., 2023). As sustainability gains prominence, green marketing has become a crucial business strategy to address the increasing environmental consciousness of consumers. Companies are implementing eco-friendly practices to reduce their operational impact on the environment. To effectively convey these sustainability efforts, organizations utilize green marketing techniques, which play a vital role in educating consumers and shaping their purchasing decisions in

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favor of environmentally responsible products and services.

Conversely, recent decades have seen a significant increase in consumers' concern for environmental conservation, compelling businesses to implement more eco-friendly practices. This trend is evident in the rapid growth of green marketing, especially on social networking platforms. These platforms have become crucial communication channels for today's environmentally aware and socially engaged consumers, making them ideal venues for companies to promote their eco-conscious products and initiatives (Handoko et al., 2024). Green social media marketing is a strategy used on social media platforms to introduce environmentally friendly products. Green marketing messages spread through social media increase consumer awareness of the brand and its environmental initiatives, which in turn opens up great opportunities for consumer purchases.

2. Literature Review

2.1. Perceived Quality

The perceived quality of a product refers to how consumers evaluate its utility, which is different from its actual or objective quality. While perceived quality is an abstract concept, actual quality is determined by consumers' judgements based on their interactions with the product; perceived quality exists at a more conceptual level, while actual quality is based on direct user experience (Silva & Cé, n.d.). In the current business landscape, the proliferation of greenwashing practices among corporations has led to a notable impact on consumers' perceptions of product quality. Consumers' assessment of a product or service's environmental excellence can be defined as perceived green quality. In this context, it is observed that greenwashing (if present) has a negative impact on the perceived green quality among consumers. (Lu et al., 2022) emphasize the positive relationship between perceived greenwashing and perceived financial risk, demonstrating that greenwashing affects the perception of cost-benefit in relation to the purchase of a given product, thereby decreasing the perceived monetary benefit for consumers.

Eco-friendly products of superior quality positively influence environmental attitudes and consumers' willingness to buy. Consumers

are more inclined to purchase environmentally friendly vehicles when their performance and durability are assured, bridging the gap between pro-environmental beliefs and actual buying behavior. The perceived quality of these products can strengthen the relationship between environmental attitudes and green purchase intentions, reinforcing consumers' confidence that they are making a wise and ecologically beneficial investment (Dong & Huang, 2024; Mohd Suki, 2016).

2.2. Price Perception

Another important factor influencing young consumers' purchasing decisions for environmentally friendly products is their perception of price (Raza Ch et al., 2021). Although the increased cost of environmentally friendly products may discourage budget-conscious shoppers, some people are willing to pay more for products that are less harmful to the environment. Research has shown that young, price-sensitive consumers are more likely to have positive attitudes and awareness towards purchasing various products, including those that are environmentally friendly (Ansu-Mensah, 2021).

Price and value perception is the way in which consumers evaluate the cost of a product or service in relation to its expected benefits. This cognitive process involves assessing whether the price is commensurate with the perceived value and utility of the product, taking into account factors such as quality, features and individual preferences. Research has shown that both product value and price influence consumer purchase decisions (Islam & Ali Khan, 2024; Jindal, 2022). The price of a product includes its face value as well as subjective interpretations influenced by the buyer's background and socio-economic status. Perceived price refers to consumers' subjective interpretation of a product's objective price, which affects its distinctiveness and image (Efendioglu & Durmaz, 2022).

2.3. Social Media Marketing

Many research findings strengthen the effect of social media on consumers' green product purchasing behaviour because social media has a significant impact on consumers' Green product consumption behaviour; it is known that consumer experiences shared by consumers through social media or digital marketing channels make a

positive contribution to consumers' purchasing behaviour (Armutcu et al., 2024; Sutedjo Dharma Oetomo & Santoso, 2024). Digital marketing interactions are known as platforms that consumers use when purchasing products through social media and have a positive effect on consumers' green purchasing behaviour (Bailey et al., 2016). Green product promotions by businesses and countries through digital marketing channels increase environmental awareness of consumers (Alamsyah et al., 2020) and improve their green purchasing behaviour by encouraging them to adopt green life patterns and thus contributes to green economy.

In the field of social media marketing, social influencers can play a significant role in persuading consumers to take specific actions. Influencers have emerged as important actors in promoting sustainable consumption in recent years. With their reach and influence, they possess the capacity to influence consumer decisions and obtain rewards from marketers (Vilkaite-Vaitone, 2024). The credibility of influencers plays a crucial role in determining the effectiveness of their endorsements, and it is widely accepted that influencers must be relevant to their audience in order to gain admiration from their followers (Asan, 2022; Lim & Lee, 2023).

2.4. Green Product Purchase Intention

An attitude is an individual's perspective and evaluation of a person, object or situation by a tendency to respond either positively or negatively. An attitude is a constellation of emotions, beliefs, and behaviours that is described as the way in which we evaluate an object or person. The basic elements of attitude include our cognitions, emotions and behaviours in a given setting. In environmental concern, consumer attitudes are rooted in a person's idea of self and the extent to which individual views themselves to be an intrinsic part of the natural environment (Ogiemwonyi et al., 2020). The theory of reasoned action effectively demonstrates how a person's freedom to perform certain actions depends on their intended purpose. The degree to which an individual can exercise autonomy in specific behaviors is determined by the goals they aim to achieve (Sreen et al., 2020). This research will examine the increasingly significant role of social media among young people in Indonesia, as well as the importance of perceived quality and price perception variables

that characterize green products as expensive commodities.

Green purchasing intention refers to the ability and willingness of environmentally conscious consumers to choose green products over conventional alternatives (Kumar et al., 2021), as most manufacturing processes still have a significant impact on the environment. Incorporating green products into everyday life helps reduce pollution (Khan et al., 2029), which can directly improve our well-being. In the area of green purchasing, various factors influence an individual's propensity to engage in green purchasing behaviour, including societal norms, personal principles, perceived value, level of motivation, environmental awareness, trust and attitudes towards the environment (Ng et al., 2024).

Based on literature review above, following figure below presents proposed research model:

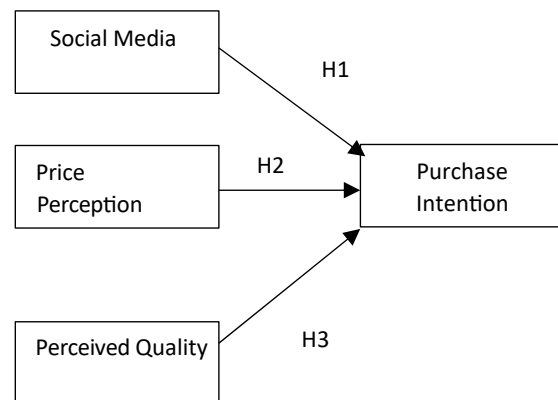


Figure 1. Research Model

Hypotheses are:

H₁ = Social Media Marketing Influences Purchase Intention

H₂ = Prices perception Influences Purchase Intention

H₃ = Perceived Quality Influences Purchase Intention

3. Methods

Research methodology used in this research is survey method, which recently been widely used in business, management, natural sciences, and social sciences (Mohajan, 2020). It systematically gathers information from respondents, focusing on their opinions and behaviour to understand the population behaviour. Sampling technique using purposive random sampling with criteria is educated millennials, students in college, and domiciled in the Special Region of Yogyakarta, Indonesia. In this research, a sample of 177 respondents was collected.

The collected data will be analyzed utilizing cross-tabulation for profile data and multiple regression analysis to examine the research model. This research incorporates three independent variables and one dependent variable. Consequently, the data analysis technique employed in this study is multiple regression analysis. Regression analysis is very good for testing the effect or impact of independent variables on dependent variable using T test $\{t = Bi/Se (Bi)\}$ and the coefficient estimates or parameters (Bi) that are significant will be consider the important variable that can predict the dependent variable (Adebanjo, 2022). Multiple linear regression analysis facilitates the inclusion of more than one independent variable up to k, where k is less than the number of observations (n). Thus, the multiple linear regression model for the population can be represented as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e,$$

Where, Y is the dependent variable (Purchase Intention), while X_1 to X_n are the independent variables; in this study there are three we independent variables, i.e. X_1 is Social Media Marketing, X_2 is Price Percepton and X_3 is Perceived Quality. The 'a' is an intercept which is the value of the Purchase Intention when $X_1, X_2,$ and $X_3 = 0$. $b_1, b_2,$ and b_3 are the slope or coefficient estimates of the independent variables in the model while 'e' is the residual error or error term that takes care of all the unaccounted factor that is not included in the model. Data collected in this research will be analyzed with SPSS software.

4. Result and Discussion

4.1. Espondent Profile

The profiling results show that most respondents in this study are male, largest age group is > 20-21 years old, and the majority respondents are from Jawa Island. Regarding the type of social media used by respondents, Instagram and TikTok are the two most frequently used social media. These findings show that the millennial generation in Indonesia likes social media that has images and short video features (reels) that display short and concise information. Table 1 details these respondent charateristics.

Table 1

Demographic characteristics of responses

	Percentage (%)
Gender	
Male	52.5
Female	47.5
Age	
>20 – 21 years old	68.6
>21 – 22 years old	20.3
>22 years old	11.1
Regional Origin (in Indonesia)	
Java Island	58.2
Kalimantan Island	9.0
Sumatera Island	9.0
Others (Papua, Maluku etc.)	29.2
Social Media	
Instagram	41.2
TikTok	46.9
Youtube	9.6
Others (Facebook, X etc.)	2.3

Table 2, Table 3 and Table 4 details these respondent opinion about environmental problems in Indonesia. The primary environmental challenges in Indonesia are garbage problem, waste management and air pollution, which are becoming increasingly concerning. Respondents consider the price of green products to be quite expensive, which is the main obstacle to purchasing green products. Furthermore, the majority of respondents perceive that green products and environmentally friendly alternatives remain scarce in retail establishments and marketplaces.

Table 2

Environmental problems opinion Indonesia

Environmental problems	Percentage (%)
Flood	8.33
Global Warming	21.05
Water Pollution and Plant Waste	17.44
Air Pollution	21.43
Garbage problem	31.74

Table 3

Obstacles in purchasing green products

Opinion about green products availability	Percentage (%)
Green Product is Expensive	41.9
Green Product availability	26.1
Green Product quality	30.4
Other reasons	1.6

Table 4

Opinion about green products availability

Opinion about green products availability	Percentage (%)
Almost nothing green products	9.0
Little and inadequate	69.7
A lot of green products	21.3

4.2. Hypothesis Test

Multiple regression results are:

Table 5

Multiple regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.567	.321	.309	1.752

The general linear model yields R-squared and adjusted R-squared statistics, which represent the variance proportion in the outcome variable explained by predictor variables in the sample and estimated in the population, respectively. In this particular model, the adjusted R-squared value of 0.309 suggests that social media marketing, price perception, and perceived quality account for 30.9% of the variation in green product purchase intention. The remaining 69.1% is attributed to other factors, including green product price, product availability, and additional variables not specified in the model. A R-squared in this research (30.9%) that is between 10 percent and 50 percent is acceptable in social science research only when some or most of the explanatory variables are statistically significant.

Regression coefficient result for this data processing:

Table 6

Coefficients Regression

	B	Standardized Coefficients Beta	t	Sig.
(Constant)	4.854	1.194	4.066	<0.01
Perceived Quality	0.292	0.66	4.412	<0.01
Price Perception	0.177	0.65	2.739	0.07
Social Media	0.221	0.59	3.764	<0.01

Based on the coefficients table, the Sig. (significance) column displays values substantially below 0.05 for all variables, indicating that the three independent variables – perceived value, social media marketing, and price perception –

exhibit positive and statistically significant effects on purchase intention for green products. Furthermore, the Standardized Coefficients Beta column reveals that the perceived quality variable exerts the strongest influence on purchase intention (0.66), followed by the price perception variable (0.65), and lastly, the social media marketing variable.

4.3. Discussion

The aforementioned findings align with the research conducted by (Lopes et al., 2023), which demonstrated that green perceived quality was positively associated with young people's environmental concerns. Furthermore, the study established a positive relationship between green perceived quality and green purchasing decisions when mediated by the environmental concern variable. Perceived quality, defined as the consumer's evaluation of a product's superiority in comparison to alternative products, is a critical factor for producers as it facilitates product differentiation, performance enhancement, ease of use and maintenance, reliability, and durability (Wang et al., 2023). For influence of price perception, consumer awareness of green product pricing is a significant factor influencing the consumption of environmentally friendly goods. Green products are often perceived as more expensive than their conventional counterparts due to the production processes and raw materials utilized (Bhavana & Thiruchanuru, 2018). Price perception is considered a key determinant in inhibiting green purchase intentions, particularly among young Indonesian consumers with limited financial resources. In contemporary times, businesses are leveraging social media platforms to showcase and market their environmentally friendly products. A study conducted by (Nekmahmud et al., 2022) revealed a strong positive correlation between social media marketing and consumers' intention to purchase green products through these platforms. The rise of social media has led to increased consumer sophistication, enabling them to develop new approaches for evaluating, researching, choosing, and buying their preferred products (Sun & Wang, 2020). Social media provides an accessible avenue for businesses to reach and engage target consumers, while also facilitating the promotion of green advertising through networking, user interactions, and the

spread of positive electronic word-of-mouth (Nekmahmud et al., 2022).

5. Conclusion and Suggestion

5.1. Conclusion

Several conclusions can be drawn from the data and processing results: Firstly, the majority of consumers are young males (aged 20-21 years old) from Java Island who currently utilize Instagram and TikTok as their primary social media platforms. Secondly, consumers consider the garbage problem to be the main environmental issue in Indonesia at present; regarding green products, they perceive these items as expensive, and note that the availability of such products in markets and supermarkets remains limited.

Finally, multiple regression analysis and hypothesis testing results indicate that all predictors, namely perceived quality, price perception, and social media marketing, positively and significantly influence green product purchase intention.

5.2. Suggestion

This study proposes the use of social media tools, such as Instagram and Tik Tok, as a promotional tool for businesses to advertise green products through a series of attractive promotional campaigns. But to encourage young people to buy green products, a policy of setting affordable prices and then gradually increasing them must be implemented. At the same time, product quality must be maintained.

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