Green Marketing and Purchase Intention for Fore Coffee Products

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Abstract: Green marketing for coffee products is explored for its role on purchase intention. As concern on environmental matters is raising, green marketing becomes an important part to drive customers purchase intention, more over it is in the trending business in Indonesia like coffee product. This is an explanatory research with quantitative approach that used dichotomous data and logistic regression to measure and analyze Guttman’s scale. The data used in this study are primary data obtained through questionnaires distributed directly to coffee drink consumers in Malang Raya, involving 216 respondents. The results show that green marketing simultaneously affects the purchase intention of Fore coffee drinks by 24.5%. All three variables are significant in encouraging purchase intention including green product, green promotion, and green place. Yet, green price as assumed to be more expensive is required to remain affordable. The implications of these findings are expected to deliver theoretical contribution on green marketing as price remains sensitive for customers; in addition, it also provides practical contribution on how a green company should address this issue.

Keywords: Green; Marketing, Purchase; Intention

JEL Classification: M31; Q56; D12

Introduction

The wider community is experiencing issues related to the environment which include issues of water pollution, air pollution and waste (Budianti & Nurtjahjadi, 2023). Awareness of the importance of environmental conservation is caused by the world community’s concern about environmental disasters that threaten the health and survival of humans on earth (Sari et al., 2023). Indonesian people’s awareness of environmental issues has increased (Dimilna, 2022). Similar things were stated by other researchers who stated that awareness and concern about environmental issues encouraged Indonesian people to choose sustainable products to meet their needs (Candra, 2018). This is due to increasing public understanding of the negative impacts of human activities on the environment, such as pollution, habitat destruction and loss of biodiversity. Increasing public awareness of environmental issues has also encouraged the community to carry out various efforts to preserve the environment, both at the individual and group levels.
One of the efforts made by society at the individual level to preserve the environment is by choosing products and services that they think are more environmentally friendly and supporting companies that are committed to preserving the environment (Hermanto et al., 2023). The growth of consumers who are increasingly aware of environmental impacts opens up great opportunities for the industry to produce products that are oriented towards sustainability (Ranjan & Jha, 2019). This is also in line with the statement that the growing attitude of environmental concern in society makes people more interested in buying products that are more environmentally friendly, which is an opportunity for business people to implement green marketing strategies.

One, Ginsberg and Bloom (2004) stated that green marketing opened wide chances to minimize environmental problems generated by society, politics and economy as it assisted to encourage responsible ethics in society and organizations for protection and care. In addition, it is a tool to promote resources, places, destinations that put organizations in the market as environmentally responsible companies (Shi et al., 2022). Green marketing as a new strategy in the company implements four elements (4P) of the marketing mix, which means green marketing is a company strategy and changes the traditional marketing mix. Meanwhile, according to other researchers, the goal of green marketing is not only to make profit the company’s only goal but also to care for the environment (Subagyo & Nasyatul, 2020). Apart from that, business with a green theme can not only provide big profits to the company and preserve the environment, green business methods also maintain the sustainability of a business in the long term (Pratama et al., 2022). This is also in line with the statement that green marketing, apart from helping the company’s image, can also provide positive value to the company’s business (Ginting et al., 2023). More specifically, it is interesting that green marketing has been researched in various industrial contexts such as cosmetics (Salim & Rismawati, 2020), organic vegetable (Ermiati et al., 2021), household (Budianti & Nurtjahjadi, 2023), and consumer goods (Ginting et al., 2023) shows a positive and significant influence on purchase intention. However, in the context of drinks labeled green, there is still not much research that addresses green marketing.

The majority of people who enjoy coffee drinks feel happiness through the distinctive taste and aroma of coffee. The presence of various outlets and shops that specifically offer various types of coffee has made coffee a favorite that is sought after by many people, although often at a higher price (Winarno & Givan, 2019). This is also supported by the increasing number of consumers adopting lifestyles that have been assimilated from the sustainable coffee market as a result of increased environmental awareness (Hong & Guo, 2019). Judging from the results of growing empirical data, it confirms that today’s consumers are more likely to be willing to pay more for sustainable products in order to reduce the environmental impact caused by their purchases.

Fore, as one of the well-known coffee shops in Indonesia, is a local brand that applies the "green marketing" concept in all aspects of its business management. This company not only applies green concepts at the managerial operating level, but also extends to their coffee production process. Proof of the implementation of green marketing by Fore can be seen on the official website with the campaign #FORESSENTIALLYYOU and
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#FORESPONSIBLE which is a social campaign movement to realize a commitment to ESG (Environmental, Social, and Corporate Governance) which is a commitment to environmental preservation initiatives.

The green marketing strategy implemented by Fore' includes various initiatives to reduce environmental impacts. One of the steps they are taking is using packaging materials that are easily recyclable, as well as eliminating the use of plastic straws. As an alternative, both are switching to paper straws or even offering cup lids without straws. This choice not only reduces plastic waste but also makes a positive contribution to the environment. The use of degradable paper bags for product packaging, the go-green program which involves customers by giving morning discounts to customers who bring reusable tumblers, as well as paperless order taking shows Fore’s commitment to environmental sustainability.

Therefore, this research tries to explore a conceptual model that can empirically describe repeat purchase intentions through a green marketing approach. In this context, this special research aims to investigate in depth the relationship between green marketing and repurchase intention through four main dimensions in the green marketing mix, namely: (1) green products, which include environmentally friendly products; (2) green pricing, which involves pricing strategies that support sustainability; (3) green promotion, which includes marketing efforts with a focus on sustainability; and (4) green place, which focuses on distribution and sales locations for environmentally friendly products.

By focusing on coffee companies and brands that dedicate special attention to aspects of environmental friendliness, this research not only seeks to thoroughly understand the impact of green marketing variables on repurchase intentions, but also to comprehensively illustrate how these aspects are interconnected. Through a detailed approach to the green marketing mix, it is hoped that this research can make a significant contribution to our understanding of the factors that influence consumer behavior in the context of repurchasing coffee products that focus on environmental sustainability. The next section will discuss the theoretical basis, research methods, results, and discussion and recommendations for further research.

Theoretical Background and Hypothesis Development

The theory used in this research uses the theory of green marketing, stating the definition of green marketing, the reasons why companies use green marketing, and green marketing as a development of the 4P’s marketing mix by considering the minimum impact that can result from human consumerism activities (Charter & Polonsky, 2017).

The second theory used by researchers is the theory regarding purchase interest or purchase intention which discusses the definition of purchase interest as well as an explanation of the stages of purchase interest which consist of AIDA; which is an abbreviation for attention, interest, desire, and action (Kotler et al., 2015).
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Green Marketing and Purchase Intention

The definition of green marketing is that it consists of all activities designed to produce and facilitate every consumerist activity related to fulfilling human needs and desires so that satisfaction of those needs and desires can be achieved, with minimal detrimental impact on the natural environment. (Charter & Polonsky, 2017). Another definition explains that green marketing is a holistic marketing concept where production, marketing, consumption and waste disposal of both products and services are carried out in a way that does not damage the environment with awareness of the negative impacts of the pollutants produced which are understood by producers, marketers and consumers (Shil, 2012).

The American Marketing Association (AMA) defines green marketing as the development and marketing of products designed to reduce negative impacts on the environment or to improve quality and an organization's efforts to create, promote, design and update products in an environmentally responsible manner (Angela et al., 2022).

According to other experts, environmentally friendly marketing (green marketing) is the study of all activities and efforts to consume, produce, distribute, promote, package and recover products in a way that is sensitive or sensitive to environmental problems (Dahlstrom, 2011). Meanwhile, according to other experts, green marketing is the marketing of products, services and ideas that meet consumer needs and desires in a way that does not damage the environment (Winston et al., 2021).

The second theory used by researchers is the theory regarding purchase interest or purchase intention which discusses the definition of purchase interest as well as an explanation of the stages of purchase interest which consist of AIDA; which is an abbreviation for attention, interest, desire, and action (Kotler et al., 2015). Purchase intention is the initial step in the consumer decision-making process, which involves a number of stages such as problem recognition, information search, alternative evaluation, purchase decision, and post-purchase behavior. In their view, the factors that influence purchase intention involve various aspects such as product characteristics, price, promotion and distribution. This is in line with the basic framework of marketing known as the “Marketing Mix” or 4P’s (Kotler & Armstrong, 2018).

Hypothesis Development

Green Product to Purchase Intention

Green products tend to have a long shelf life and are not harmful to health (Dianti & Paramita, 2021). In addition, green product should be environmentally friendly, recycled, or reused (Triana & Sulhaini, 2019). The indicators of green product include environmentally friendly improved design and quality (Nguyen-Viet, 2023), safe, reusable, and recyclable (Budianti & Nurtjahjadi, 2023). Green product can stimulate purchase intention (Pratama et.al, 2022). It leads to the following hypothesis:
H1: Green product positively and significantly influences purchase intention.

Green Price

The concept of green price includes additional costs that may occur during environmentally friendly production process that consider sustainability support (Apriani & Ari Angreni, 2021). Management needs to be careful in determining green prices so that consumers get benefits according to the exchange offered (Sinambela et al., 2022). However, for some consumers, green prices are not the main thing because of their environmental awareness. Other research shows that green prices given by companies will result in product prices being more expensive to pay for the social environment. Thus, green price’s indicators are more expensive price, higher premium for environmentally responsible product (Nguyen-Viet, 2023), benefits-adjusted price, and environmental sustainability support (Sinambela et al., 2022). Considering that green price also influences purchase intention, it leads to the second hypothesis:

H2: Green price positively and significantly influences purchase intention.

Green Promotion

Green promotion is conveying the benefits of a product through persuasive messages to make consumers buy the product. Green promotion is related to the efforts to promote green support. The indicators include campaign that is relevant with product-environmental issue, green living, environmental responsibility of the company, and special offer to support environmental act (Henriques, 2016). Promotion influences purchase intention, thus, it comes to the following hypothesis:

H3: Green promotion positively and significantly influences purchase intention.

Green Place

In the context of green marketing, companies manage this distribution process by paying attention to costs, with the aim of achieving effectiveness and efficiency to reduce negative impacts on the environment. (Henriques, 2016). Although few consumers buy products solely because of environmental sustainability, the location of distribution channels also has a significant influence. Thus, the hypothesis below is delivered:

H4: Green place positively and significantly influences purchase intention.
Research Method

This section discussed the population and sample size as well as how to analyze the data before presenting the results.

Sample Size and Data Collection

The population of this research consist of Fore’s customers that the exact number is unknown. Thus, this research uses non probability sampling method with convenience sampling technique with some proposed criteria like should be above 17 years old and at least once ever bought Fore’s product. To determine the sample adequacy, it used Lameshow’s formulation

\[ n = \frac{Z^2(1-\alpha/2P(1-P))}{d^2} \]

Description:
- \( n \) = number of sample
- \( Z \) = Z score (with 95% level confidence 1.96)
- \( P \) = population proportion that has certain characteristics (0.5)
- \( d \) = alpha (0,10) or error 1(0%)

Thus, the minimum sample should be:

\[ n = \frac{1.96^2 \cdot 0.5/(1 - 0.5)}{0.1^2} \rightarrow n = 96.04 \]

However, this research used 216 respondents as larger sample is expected to depict more precise results, instead of using 97 respondents. Data is collected through questionnaire as the main tool of data collection instrument. The questionnaire was distributed both online distribution and direct distribution.

Measures

This research used Guttman’s scale to get firm answers to the questions given to respondents. The dichotomous answer provided firm answer from the respondents. So that the results and findings can be more powerful in delivering research recommendation. Guttman scale only posted “Yes” or “No” answer, as “Yes” is represented by “1” and “No” is represented by “0”.

To check the validity, it is verified by the score of \( r \)-table compared to \( r \) statistics. If the calculated correlation value (\( r \) statistic) is greater than the table correlation value (\( r \) table), then the question or indicator is considered valid. Further, the reliability is checked through Cronbach’s alpha value that should be greater than 0.6 (Ghozali, 2018).
Analysis Technique and Regression Model

This is an explanatory research with quantitative approach. As it uses dichotomous variables, the linear regression analysis used for model fit testing is Hosmer and Lemeshow’s Goodness of Fit Test. If the statistical value from Hosmer and Lemeshow’s Goodness of Fit Test shows results equal to or less than 0.05, then the null hypothesis is rejected, which means there is a significant difference between the model and the observed values. This indicates that there is no match between the sample data and the regression model used so that the goodness of fit of the model is not good because the model cannot predict the observation data.

Conversely, if the statistical value of the Hosmer and Lemeshow Goodness of Fit Test is greater than 0.05, then the null hypothesis is accepted. This indicates that there is a match between the sample data and the regression model used because the model is able to predict the observation data or it can be said that the model is acceptable because it matches the observation data (Ghozali, 2018:331).

The variability of the independent variable in explaining the dependent variable is measured using the coefficient of determination which can be seen from the Nagelkerke R Square value. Nagelkerke R Square is the value of the ability of the independent variable to explain the variability of the dependent variable while the rest can be explained by other variables outside of this research model. The value of Nagelkerke R Square is in the form of a decimal which can be converted into a percentage so that it is easy to understand and interpret (Ghozali, 2018:333).

The coefficient of determination value (between 0 and 1) shows the percentage of influence of the independent variable on the dependent variable. The Nagelkerke's ($R^2$) value can be interpreted like the $R^2$ value in multiple regression. A small value means that the ability of the independent variables to explain variations in the dependent variable is quite limited. A value close to 1 means that the independent variables provide almost all the information needed to predict variations in the dependent variable (Subramanyam & Wild, 2013).

In this research, the data will be analyzed using a multiple logistic regression model. The basic regression equation used is as follows:

$$ y = f(\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \cdots + \beta_n X_n) + e $$

$\beta_1, \beta_2 \ldots \beta_n$ is the coefficient corresponding to the independent variable and control variable. $\beta_0$ is a constant, and $e$ is a form of disturbance (Sekaran & Bougie, 2016).

Testing of partial logistic regression coefficients can be done using the Wald test (Ghozali, 2018:336). The Wald test is used to test whether each independent variable is able to influence the dependent variable in a study. Simultaneous hypothesis testing in logistic regression analysis using the Omnibus Test of Model Coefficients (Ghozali, 2018:335). The
independent variables in this research will be tested together to find out whether all independent variables are simultaneously able to influence the dependent variable.

Result and Discussion

Respondent Profile

To further explore the details of respondents involved in this research, the following table provides the brief explanation of the intended sub-chapter:

<table>
<thead>
<tr>
<th>Profile</th>
<th>Categories</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Female</td>
<td>110</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>106</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>216</td>
</tr>
<tr>
<td>Age (Years Old)</td>
<td>17 to 21</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>22 to 26</td>
<td>166</td>
</tr>
<tr>
<td></td>
<td>27 to 31</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>31 to 35</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>&gt; 35</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>216</td>
</tr>
<tr>
<td>Region</td>
<td>Malang City</td>
<td>155</td>
</tr>
<tr>
<td></td>
<td>Kabupaten Malang</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>Batu City</td>
<td>34</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>216</td>
</tr>
</tbody>
</table>

Validity, Reliability, and Model Fit

Testing was carried out on a sample of 216 respondents (n=216) for Fore respondents, with a significance level of 0.05, which resulted in an r table value of 0.133. Based on the test results, the calculated r value is greater than the r table, which means that each variable is valid, namely 0.175 (Sample 216 – 2 = 214, two-way significance level 0.01), so it can be concluded that these items can be used to measure research variables. Cronbach's Alpha for all variables is greater than 0.6. From the provisions mentioned previously, all variables used for research are reliable.

Testing the feasibility of the regression model was assessed using Hosmer and Lemeshow's Goodness of Fit Test which was measured by the chi square value. Hosmer and Lemeshow's Goodness of Fit Test tests the null hypothesis that the empirical data is suitable or in accordance with the model (there is no significant difference between the model and the data so the model can be said to be fit) (Ghozali, 2018:331).

<table>
<thead>
<tr>
<th>Table 2 Hosmer and Lamesh's Goodness of Fit Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square</td>
</tr>
<tr>
<td>------------------------</td>
</tr>
<tr>
<td>9.056</td>
</tr>
</tbody>
</table>
Based on Table 2 obtained from the results of the regression analysis, it shows that the results of the Hosmer and Lemeshow Goodness of Fit Test obtained a chi-square value of 9.056 with a significance level of 0.338. The test results show that the probability value (P-value) ≥ 0.05 (significant value), namely 0.338 ≥ 0.05, then H0 is accepted. This indicates that there is no significant difference between the model and the data so that the regression model in this study is feasible and able to predict the observed values. As the result demonstrated, the formulation can be further conducted for analysis to present the result.

**Logistic Regression Results**

The analysis used in this research is logistic regression analysis, namely by looking at the influence of green product, green price, green promotion and green place on purchasing interest among Fore Coffee consumers in the greater Malang area.

<table>
<thead>
<tr>
<th>-2 Log likelihood</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>X1</td>
</tr>
<tr>
<td>166.197</td>
<td>-1.462</td>
</tr>
<tr>
<td>158.101</td>
<td>-1.892</td>
</tr>
<tr>
<td>157.770</td>
<td>-1.999</td>
</tr>
<tr>
<td>157.769</td>
<td>-2.005</td>
</tr>
<tr>
<td>157.769</td>
<td>-2.005</td>
</tr>
</tbody>
</table>

From the results in Table 3, the independent variables are included in the model N=216. Degree of Freedom (df) = N – Number of independent variables – 1 or df = 216 – 4 – 1 = 211. Chi Square Table on df 211 = 280.217. The conclusion drawn is the -2Log Likelihood value of 157.769 < Chi Square Table of 280.217. Thuss, this means that the model is fit to the data, which means that the model before entering variable X has met the test requirements. The use of dichotomous answer for each variable posted both advantage and disadvantage. A strong position between “yes” or “no” as reflected on “agree” and “disagree” answer do not have any interval to be interpreted in a way that provide good description “in between”. There is a clear cut-off when respondents stated their perceptions. This result will be elaborated more on the next sub section.

Wald Test Results

<table>
<thead>
<tr>
<th>Variables in the Equation</th>
<th>B</th>
<th>S.E.</th>
<th>Wald</th>
<th>df</th>
<th>Sig.</th>
<th>Exp(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Green Product</td>
<td>2.127</td>
<td>.933</td>
<td>5.200</td>
<td>1</td>
<td>.023</td>
<td>8.391</td>
</tr>
<tr>
<td>Constant</td>
<td>-.405</td>
<td>.913</td>
<td>.197</td>
<td>1</td>
<td>.657</td>
<td>.667</td>
</tr>
<tr>
<td>Green Price</td>
<td>1.006</td>
<td>.733</td>
<td>1.884</td>
<td>1</td>
<td>.170</td>
<td>2.734</td>
</tr>
<tr>
<td>Constant</td>
<td>.693</td>
<td>.707</td>
<td>.961</td>
<td>1</td>
<td>.327</td>
<td>2.000</td>
</tr>
<tr>
<td>Green Promotion</td>
<td>1.914</td>
<td>.414</td>
<td>21.377</td>
<td>1</td>
<td>.000</td>
<td>6.779</td>
</tr>
<tr>
<td>Constant</td>
<td>.223</td>
<td>.335</td>
<td>.443</td>
<td>1</td>
<td>.506</td>
<td>1.250</td>
</tr>
<tr>
<td>Green Place</td>
<td>2.095</td>
<td>.424</td>
<td>24.372</td>
<td>1</td>
<td>.000</td>
<td>8.124</td>
</tr>
<tr>
<td>Constant</td>
<td>.061</td>
<td>.348</td>
<td>.030</td>
<td>1</td>
<td>.862</td>
<td>1.062</td>
</tr>
</tbody>
</table>
The significance value of green product is 0.023 < 0.05 indicating that green product has **significant role on purchase intention** with Nagelkerke R Square of 0.039 that reaches 3.9%. Further, the significance of green price is 0.170 > 0.05. It means **green price does not influence** purchase intention. Based the Table 5, green promotion’s significance level is 0.000 < 0.05 implying the significance role on purchase intention with 15.5% influence based on the Nagelkerke R Square score reaching 0.155. Lastly, green place’s significance level is 0.000 < 0.05 proposing significant role of green place on purchase intention with the strongest contributor reaching 17.6% to purchase intention compared to the other three variables.

**Conclusion**

This research explored the role of green marketing mix on purchase intention. Among Fore Coffee’s customers. The green marketing mix includes green product, green price, green promotion, dan green place. To conclude, green product, green promotion, and green place demonstrate positive and significance effect on Fore Coffee’s customer purchase intention. Green product attributes like environmentally friendly, improved design and quality, safe, re-usable, and recyclable do affect the intention to purchase Fore Coffee’s products. Consumers care about green product issue and it becomes one of the keys in stimulating the intention to purchase. Green promotion’s significant role on purchase intention is also verified. It implies that the effort of Fore Coffee on promoting green communication has positive influence on its customer purchase intention. Fore Coffee should be more eager in delivering environmentally friendly message to its customers to encourage greater purchase intention. The most powerful variable among the other three is green place. Fore Coffee should maintain its environmentally friendly concept for its store and service delivery as reflected by the indicators. Lastly, about the green price concept that is perceive to be expensive, it does not prove a significant role on purchase intention implying that green product should remain affordable.

**Limitation and Recommendation**

This research has some limitations to address. First, it includes only limited sample in certain area so that the generalizability of the finding is still doubtful. Second, the variable involved is commonly explored in the context of green marketing. Third, it does not invite business entity to involve more during the research process. Based on those limitations,
this research proposes some recommendation such as (1) wider scope with similar business context or relevant industries can enrich the fruitful finding for further research, (2) observe more on possible determinant of purchase intention in green context as well as a chance to involve moderation or mediation variable when necessary to strengthen the predictive model, and (3) involve the industry to deliver firm recommendation for business practice.

References


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