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THE INFLUENCE OF GREEN MARKETING STRATEGY, GREEN CUSTOMER TRUST, GREEN PURCHASE INTENTION ON GREEN PURCHASE BEHAVIOR ON ENVIRONMENTALLY FRIENDLY MSME PRODUCTS

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ABSTRACT

The MSMEs sector makes a significant contribution to the development of the economic structure, but the MSMEs Sector players must continue think about how that contribution can continue to grow. To continue to grow and achieve sustainability, MSMEs must have a competitive advantage, a business strategy that is appropriate and relevant to current market conditions. The discussion about environmentally friendly products is increasingly being discussed. The high people's willingness to buy environmentally friendly products illustrates that more and more consumers are starting to become aware of environmental conservation. This is an opportunity, companies try to respond positively and encourage companies to do innovative things by introducing new business strategies known as green marketing strategies. Researchers will try to see how green marketing strategies affect trust green customer, then how green marketing strategies and green customer trust affect green purchase intention and green purchase behavior in the MSME sector, especially in the product category handmade original Indonesian. Respondents in this study amounted to 350 respondents, this study used the PLS (data analysis method Partial Least Square), using SmartPLS software version 3. The result of this research states that green marketing strategies, green customers and Green purchase intention has a huge influence in shaping the buying behavior of environmentally friendly products for green consumers.

Keywords: Green marketing strategies, green customer trust, green purchase intention, green purchase behavior, SEM-PLS.

INTRODUCTION

Environmental pollution and climate change which are considered extreme make people worry about the current environmental conditions. The community also feels concerned about the environmental conditions which are increasingly polluted. The community thinks that environmental preservation is very important and people need to increase awareness of the environment. Concentration on environmental conservation is very important in order to avoid the impact of environmental problems (Risyamuka, 2014: 21).

Various efforts such as changing behavior and lifestyle are shown in order to contribute to reducing the impact of environmental problems by becoming a *green consumer*. Evidence for this change in purchasing behavior can be found in various surveys. For example, in July 1989, the MORI (Market and Opinion Research International) poll showed that the proportion of consumers choosing products on the basis of "environmental performance" had increased from 19% to 42% in less than a year. The results of research by H'Mida et al. (2008) in Waskito and Harsono (2012), revealed that four out of five consumers have expressed their opinion about the environment through purchasing behavior. Therefore, consumers who show a high level of environmental awareness make an increased purchasing decision for environmentally friendly products compared to products that are less concerned about this issue (Waskito and Harsono, 2012).

According to the results of the Nielsen global survey in 2014 which examined actions, *corporate social responsibility* 55% of respondents said they were willing to pay more for products and services for companies that care about social and environmental issues (Global Nielsen, 2014).

The same thing was expressed through a survey conducted by MasterCard in 2014 which stated that as many as 58.8% of buyers in Asia Pacific bought environmentally friendly products, the poll results also concluded that Indonesian consumers (78.7%) were most likely to consider a product whether it benefits both parties, is environmentally friendly or donates part of the profits to charity (Wibowo, 06 April 2015).

The discussion about environmentally friendly products is increasingly being discussed. The high people's willingness to buy environmentally friendly products illustrates that more and more consumers are starting to become aware of environmental conservation. This is seen as an opportunity and companies try to respond positively and encourage companies to do innovative things by introducing new business strategies which are known as *green marketing strategies*.

However, it is possible that there are consumers who do not or have not realized the importance of consuming environmentally friendly products. Ginsberg (2004: 79) states:

"While buying green may not appeal to everyone, there are substantial numbers of consumers who are potentially receptive to a green appeal. According to the Roper survey mentioned above, 58% of US consumers try to

save electricity at home, 46% recycle newspapers, 45% return bottles or cans and 23% buy products made from, or packaged in, recycled materials. "

Based on the above statement, it can be interpreted that not everyone is willing to consume *green products*, but the percentage above needs to be considered.

Companies need to fully understand their target consumers and need to identify whether *greenness* is a relevant sales attribute to consider and be considered in determining a marketing strategy. It can be seen from the current marketing process that the Company embodies environmentally friendly actions in their products and operations. They realize that by making these efforts they will not only help save the environment and society but will also help improve brand reputation and company performance.

Based on the description of the above conditions, the researcher will try to see how *green marketing strategies* affect *green customer*, then how *green marketing strategies* and *green customer trust* affect *green purchase intention* in the MSME sector, especially in the product category *handmade* original Indonesian.

METHODOLOGY

This research will be carried out with a quantitative research approach, based on the aim of this research is *explanative research*. Explanative research tries to find out the relationship between these things. This relationship can be in the form of a correlational relationship or mutual relationship, the contribution or contribution of one variable to other variables. Experiments are usually associated with hypothetical deductive approaches to research. The purpose of an experiment is to study the causal relationship between variables (Sekaran and Bougie, 2016: 99).

The variables in this study consisted of exogenous and endogenous variables. In this research there are two exogenous variables, namely: *Green marketing strategies* and *green customer trust*. And there are two endogenous variables in this study, namely: *green purchase intention* and *green purchase behavior*.

The population in this study are consumers who have purchased environmentally friendly products known as green products, which are spread across several islands in Indonesia. With the number of samples in this study a number of 350 respondents. The sampling technique uses snowball sampling. The data collection process used a questionnaire distributed online and offline from March to October 2020.

The analysis phase used Partial Least Square (PLS) -SEM must go through a six-step process where each step will affect the next stage. The stages consist of: conceptualizing the model, determining the algorithm analysis method, determining the resampling method, drawing a path diagram, evaluating the model, and testing the hypothesis (Latan and Ghozali, 2012: 45). Furthermore, data processing techniques using the SEM method based on Partial Least Square (PLS) require 2 stages to assess the Fit Model of a research model (Ghozali, 2006). These stages include the PLS model specification stage, the

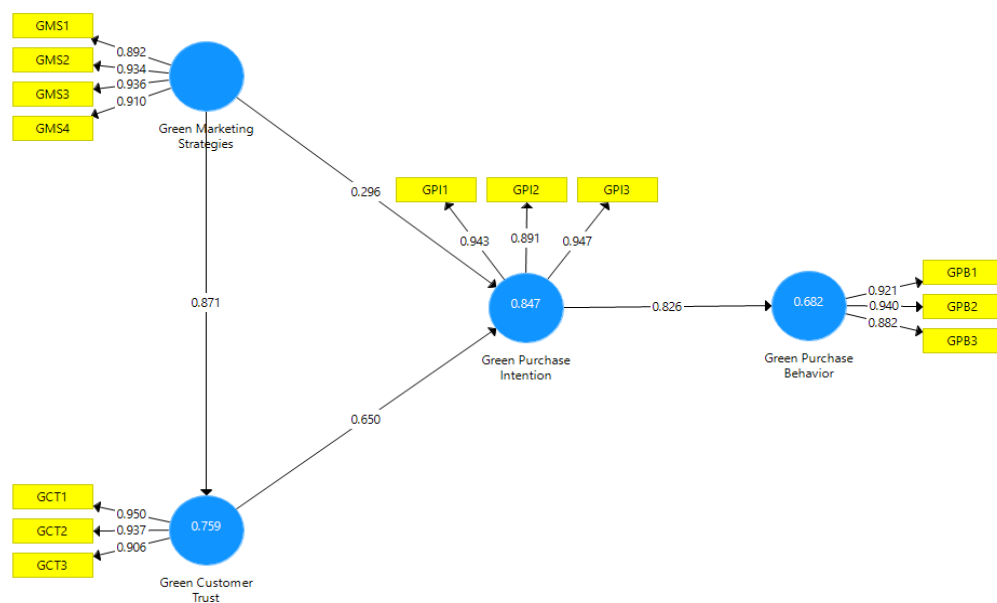
measurement model testing phase and the structural model testing phase. The *software* used is SmartPLS version 3.

RESULTS AND DISCUSSION

Testing the Measurement Model (Outer Model)

The measurement model testing phase aims to test the validity and reliability of all indicators in the model. This test includes testing *Convergent Validity*, *Discriminant Validity* and *Composite Reliability*. PLS analysis can be continued if all indicators in the PLS model have met the requirements of convergent validity, discriminant validity and composite reliability.

The results of the PLS model estimation in the measurement model testing phase can be seen in the following figure:



Measurement Model Estimation Results
Source: Data Processing Results (2020)

Convergent Validity Convergent

Validity tests were carried out by looking at the loading factor value of each indicator against its construct. In this test, confirmatory research, the loading factor limit used is 0.7, while for exploratory research, the limit *loading factor* used is 0.6. Because this study is a confirmatory study, the limit of loading factor used to test the convergent validity of each indicator is 0.7.

Then the values obtained *loading factor* for each variable is as follows:

Table 2. Results of Convergent Validity

Construct	Indicator	count R.	Validity
<i>Green Marketing Strategies</i>	GMS1	0.892	VALID
	GMS2	0.934	VALID
	GMS3	0.936	VALID

	GMS4	0.910	VALID
<i>Green Customer Trust</i>	GCT1	0.950	VALID
	GCT2	0.937	VALID
	GCT3	0.906	VALID
<i>Green Purchase Intention</i>	GPI1	0.943	VALID
	GPI2	0.891	VALID
	GPI3	0.947	VALID
<i>Green Purchase Behavior</i>	GPB1	0.921	VALID
	GPB2	0.940	VALID
	GPB3	0.882	VALID

Source: Results Sports Data (2020)

Based on the table above, the value of the loading factor indicators to construct > 0, 7, which indicates the indicators are valid.

Discriminant validity(Discriminant Validity)

Discriminant validity is done to ensure that every concept of a different latent variables with other variables. Model has discriminant validity good if any loading value of each indicator of a latent variable has a value of loading greatest with value loading another against other latent variables. The results of the test are discriminant validity obtained as follows:

Table 3.Discriminant Validity Test Results

	Green Customer Trust	Green Marketing Strategies	Green Purchase Behavior	Green Purchase Intention
Green Customer Trust	0.931			
Green Marketing Strategies	0.871	0.918		
Green Purchase Behavior	0.829	0.744	0.915	
Green Purchase Intention	0.909	0.863	0.826	0.927

Source: Data Processing Results (2020)

From the table above, it can be seen that all indicators have a value loading factor greater than the loading factor of other constructs so that the model has meet the required discriminant validity requirements.

Composite Reliability and Cronbach's Alpha

Construct reliability can be assessed from the Cronbach's Alpha value, the Composite Reliability value and the Average Variance Extracted (AVE) value of each construct. The construct is said to have high reliability if the Cronbach's Alpha value exceeds 0.7, the value composite reliability exceeds 0.70 and AVE is above 0.50.

Table 4. Construct Reliability Test Results

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Green Custom...	0.923	0.925	0.951	0.867
Green Marketin...	0.938	0.940	0.956	0.843
Green Purchas...	0.903	0.915	0.939	0.837
Green Purchas...	0.918	0.920	0.948	0.860

Source: Data Processing Results (2020)

Based on the table above, it can be seen that the Cronbach's alpha value of all constructs > 0.7, the value composite reliability > 0.7 and the AVE value of all constructs > 0.5 which means all constructs have met reliability.

Testing the Structural Model (Inner Model) The

R square

Structural Model PLS can be assessed by looking at the R Square value of each endogenous variable as the predictive strength of the structural model. The R Square interpretation is the same as the R Square interpretation in ordinary regression analysis. R Square value of 0.75; 0.50 and 0.25 can be concluded that the model is strong, moderate and weak (Ghozali; 2014). The following is the R Square value of the research variables:

Table 5. R Square Value

	R Square	R Square Adjusted
Green Customer Trust	0.759	0.756
Green Purchase Behavior	0.682	0.679
Green Purchase Intention	0.847	0.844

Source: Data Processing Results (2020)

The R-Square value above illustrates the amount of the contribution of each variable.

Effect Size (f Square / f2)

In PLS analysis, the value of f square (f2) shows the magnitude of the influence of each predictor variable on endogenous variables. According to Cohen (1988) in (Ghozali, 2014), the f square value obtained can then be categorized into the category of small effect (f2 = 0.02), medium effect (f2 = 0.15) and large effect (f2 = 0.35). The following is the f2 value of each exogenous variable against endogenous variables:

Table 6. F Square Value

	Green Purchase Intention
Green Customer Trust	0.666
Green Marketing Strategies	0.138
Green Purchase Behavior	
Green Purchase Intention	

Source: Data Processing Results (2020)

The results of the f square calculation in table 6 obtained the following results: The f square value of the variable *Green Customer Trust* against *Green purchase intention* is 0.666, while the f square value of the variable *Green Marketing Strategy* on *Green Purchase Intention* is 0.138. This shows that *Green Marketing Strategies* has a small effect and *Green Customer Trust* has a large effect on *Green Purchase Intention*. So the contribution given by the variable *Green Customer Trust* to *Green Purchase Intention* is higher than the contribution of the variable *Green Marketing Strategies* to *Green Purchase Intention*.

Q2 Predictive relevance

In PLS analysis, Q^2 shows the predictive power of the model. Q^2 value of 0.02 indicates the model has predictive models relevance weak, Q^2 value of 0.15 indicates the model has predictive models relevance moderate and Q^2 value of 0.35 indicate the model has predictive models relevance strong. The formula used to calculate Q^2 is as follows:

The formula for Q^2 :

$$Q^2 = 1 - (1 - R^2_1) (1 - R^2_2) \dots (R^2_k)$$

By:

k = the number of endogenous variables

R^2_1 = to the endogenous variables - 1

R^2_2 = endogenous variables - 2nd

R^2_k = endogenous variables to - k

$$Q^2 = 1 - (1 - 0.759) (1 - 0.682) (1 - 0.847)$$

$$Q^2 = 0.988$$

The result of the above calculation is the value of Q^2 for the model of $0.988 > 0.35$ which indicates that the model has *predictive relevance* a strong.

Test the goodness of fit (Gof)

Test *goodness of fit* the PLS model can be seen from the results of the calculation with the following formula:

$$GoF = \sqrt{AVE \times R^2}$$

$$GoF = 0.8052$$

Rated:

$$AVE = 0.851$$

$$R^2 = 0.762$$

According Tenenhaus et al. (2004) the provisions are; GoF is said to be small if it is ≥ 0.1 , GoF is said to be medium if the value is ≥ 0.25 , and GoF is said to be large if the value is ≥ 0.38 .

The results of the calculation show that this research model obtained a GoF value of 0,8052, it can be said that the model has a large GoF and is declared to have met the criteria *goodness of fit*, so it is suitable to be used to test the research hypothesis.

Significance Test The

Results of the model fit test, the calculation of the value of R Square, f square and Q square show that the PLS model that has been built is feasible to be used to test the hypothesis in the study. The hypothesis used in this test is as follows:

H1: The Green Marketing Strategies variable has a significant effect on the Green Customer Trust variable.

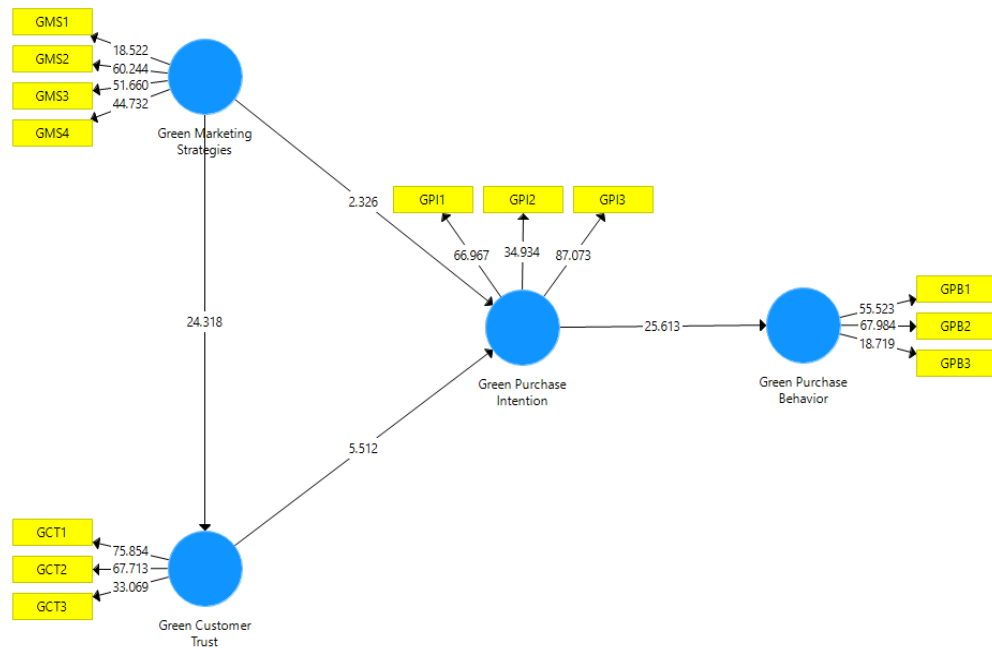
H2: The Green Marketing Strategies variable has a significant effect on the Green Purchase Intention variable.

H3: The Green Customer Trust variable has a significant effect on the Green Purchase Intention variable.

H4: The Green Purchase Intention variable has a significant effect on the Green Purchase Behavior variable.

With a significant level of 0.05, H_0 will be rejected if the P value < 0.05 and t count > 1.96 , whereas if the p value > 0.05 and t count < 1.96 then H_0 is not rejected. From the results of the significance test, it can also be seen the direction of the relationship between the influence of exogenous and endogenous variables. The direction of the relationship can be seen from the original sample value of each effect relationship. If the direction of the relationship of influence is positive, then the effect of exogenous variables on endogenous variables is positive / unidirectional, whereas if the original sample is negative, the direction of the relationship between exogenous variables and endogenous variables is opposite.

The results of the estimation model as a reference for testing the hypothesis in this study can be seen in the following figure:



Bootstrapping Test Results

Source: Data Processing Results (2020)

The complete test results can be seen in the following table:

Table 7. EstimationModel

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Green Customer Trust -> Green Purchase Intention	0.650	0.644	0.118	5.512	0.000
Green Marketing Strategies -> Green Customer Trust	0.871	0.873	0.036	24.318	0.000
Green Marketing Strategies -> Green Purchase Intention	0.296	0.305	0.127	2.326	0.020
Green Purchase Intention -> Green Purchase Behavior	0.826	0.827	0.032	25.613	0.000

ResultsSource: Data Processing Results (2020)

Based on the table 5.16, the following results were obtained:

1. The p value of the influence of the variable green marketing strategies on green customer trust is 0.000 with a T statistic of 24.318 and the original sample is positive. Because the significant value obtained is <0.05 and T statistic> 1.96, it is concluded that the variable green marketing strategies has a significant effect on green customer trust. This means that the better the implementation of green marketing strategies, the higher the green customer trust, and vice versa.
2. The p value of the influence of the variable green marketing strategies on green purchase intention is 0.020 with a T statistic of 2.326 and the original sample is positive. Because the significant value obtained is <0.05 and T statistic> 1.96, it is concluded that the variable green marketing strategies has a significant effect on green purchase intention. This means that the better the implementation of green marketing strategies, the higher the green purchase intention, and vice versa.
3. The p value of the effect of the variable green customer trust on green purchase intention is 0,000 with a T statistic of 5.512 and the original sample is positive. Because the significant value obtained is <0.05 and T

statistic > 1.96, it is concluded that the variable green customer trust has a significant effect on green purchase intention. This means that the higher the green customer trust, the higher the green purchase intention, and vice versa.

4. The p value of the effect of the variable green purchase intention on green purchase behavior is 0,000 with a T statistic of 25.613 and the original sample is positive. Because the significant value obtained is <0.05 and the T statistic > 1.96, it is concluded that the variable green purchase intention has a significant effect on green purchase behavior. This means that the greater the green purchase intention, the greater the green purchase behavior, and vice versa.

In addition, there is also the amount of influence that each indicator has on each variable. The results of the significance test for each indicator are as follows:

Table 8. Model Estimation Results (per Indicator)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O /STDEV)	P Values
GCT1 <- Green Customer Trust	0.950	0.950	0.013	75.854	0.000
GCT2 <- Green Customer Trust	0.937	0.937	0.014	67.713	0.000
GCT3 <- Green Customer Trust	0.906	0.903	0.027	33.069	0.000
GMS1 <- Green Marketing Strategies	0.892	0.889	0.048	18.522	0.000
GMS2 <- Green Marketing Strategies	0.934	0.935	0.016	60.244	0.000
GMS3 <- Green Marketing Strategies	0.936	0.934	0.018	51.660	0.000
GMS4 <- Green Marketing Strategies	0.910	0.910	0.020	44.732	0.000
GPB1 <- Green Purchase Behavior	0.921	0.920	0.017	55.523	0.000
GPB2 <- Green Purchase Behavior	0.940	0.939	0.014	67.984	0.000
GPB3 <- Green Purchase Behavior	0.882	0.879	0.047	18.719	0.000

Hypothesis Testing The

Results of the PLS analysis are then used to test the research hypothesis, here is a summary of the results of testing the research hypothesis based on the results of the PLS analysis.

Table 9. Hypothesis Test

No .	Hypothesis	T Statistical	P Value	Conclusion
1	<i>Green Marketing Strategies</i> has a significant influence on <i>green customer trust</i> .	24,318	0,000	The hypothesis is accepted
2	<i>Green Marketing Strategies</i> have a significant influence on <i>green purchase intention</i>	2,326	0.020	The hypothesis is accepted
3	<i>Green Customer Trust</i> has a significant effect on <i>Green Purchase Intention</i> .	5,512	0,000	The hypothesis is accepted.

4	<i>Green Purchase Intention</i> has a significant effect on <i>Green Purchase Behavior</i> .	25,613	0,000	The hypothesis is accepted
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Source: Data Processing Results (2020)

Based on the results of data processing with the Partial Least Square Analysis technique using *Smart PLS 3.0 software* as tools, it is found as follows:

- a. Green Marketing strategies have a significant effect on *green customer trust*.

The p value of the influence of the variable *green marketing strategies* on *green customer trust* is 0.000 with a T statistic of 24.318 and the original sample is positive. Because the significant value obtained is <0.05 and $T \text{ statistic} > 1.96$, it is concluded that the variable *green marketing strategies* has a significant effect on *green customer trust*. This means that the better the implementation of *green marketing strategies*, the higher the *green customer trust*. Conversely, if the worse the implementation of *green marketing strategies*, the lower the *green customer trust*. The results of this study prove that the hypothesis presented by the author can be proven, namely that there is a positive and significant influence between *green marketing strategies* in determining *green customer trust*. A marketing strategy that supports the environment and considers the impact on the environment is one of the things that must be prioritized by a company, because thus consumer confidence green will be higher.

- b. Green Marketing Strategies has a significant effect on green purchase intention

The p value of the influence of the variable *green marketing strategies* on *green purchase intention* is 0.020 with a T statistic of 2.326 and the original sample is positive. Because the significant value obtained is <0.05 and $T \text{ statistic} > 1.96$, it is concluded that the variable *green marketing strategies* has a significant effect on *green purchase intention*. This means that the better the implementation of *green marketing strategies*, the higher the *green purchase intention*. Conversely, if the worse the implementation of *green marketing strategies*, the lower the *green purchase intention*. The results of this study prove that the hypothesis presented by the author can be proven, namely that there is a positive and significant influence between *green marketing strategies* in determining *green purchase intention*. Implementing a marketing strategy that supports the environment and considers the impact on the environment can increase the intention to buy environmentally friendly products, and carry out activities that support the ecological movement.

- c. Green Customer Trust has a significant effect on Green Purchase Intention.

The p value of the effect of the variable *green customer trust* on *green purchase intention* is 0,000 with a T statistic of 5.512 and the original sample is positive. Because the significant value obtained is <0.05 and $T \text{ statistic} > 1.96$, it is concluded that the variable *green customer trust* has a significant effect on

green purchase intention. This means that the higher the *green customer trust*, the higher the *green purchase intention*. On the other hand, if the lower *customer trusts* the, the lower the *green purchase intention*. The results of this study prove that the hypothesis presented by the author can be proven, namely that there is a positive and significant influence between *green customer trusts* in determining *green purchase intention*. It can be seen that consumer confidence green refers to individual beliefs about the perceived quality of environmentally friendly products, the perceived risk when buying and consuming environmentally friendly products and customer satisfaction in using environmentally friendly products.

d. Green Purchase Intention has a significant effect on Green Purchase Behavior

The p value of the influence of the variable *green purchase intention* on *green purchase behavior* is 0,000 with a T statistic of 25,613 and the original sample is positive. Because the significant value obtained is <0.05 and the T statistic >1.96 , it is concluded that the variable *green purchase intention* has a significant effect on *green purchase behavior*. This means that the greater the *green purchase intention*, the greater the *green purchase behavior*. Conversely, if the lower the minimum *purchase intention*, the lower the *green purchase behavior* that is formed. The results of this study prove that the hypothesis presented by the author can be proven, namely that there is a positive and significant influence between *green purchase intention* in determining *green purchase behavior*. Based on this, it can be seen that a person's intention to buy environmentally friendly products and carry out activities that support the ecological movement characterizes a green behavior, where the action of consuming the product is carried out, always considers the concept of sustainability, consumption that provides benefits to the environment, and can address / respond to problems. environment.

CONCLUSION

Based on this research, it can be concluded that there are several things that need to be the attention of business actors (MSMEs) in Indonesia in implementing strategic novelty. The discussion about environmentally friendly products becomes an interesting topic of conversation. The high people's willingness to buy environmentally friendly products illustrates that more and more consumers are starting to become aware of the importance of protecting the environment. MSMEs players in Indonesia should respond to this as a business opportunity that provides opportunities for companies to create superior value in the eyes of consumers. This is done to increase the competitiveness of these MSME business actors, so that they can continue to develop and make continuous innovation.

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