

# ANALYSIS OF THE EFFECT OF GREEN PRODUCT KNOWLEDGE, GREEN TRUST AND GREEN PERCEIVED RISK ON PURCHASE INTENTION OF LE MINERALE GALLON PRODUCT CUSTOMERS

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## Abstrak

Sampah plastik seringkali menjadi permasalahan yang tidak ada habisnya. Di banyak kalangan, masih ada diskusi tentang bagaimana kemasan ramah lingkungan bisa didaur ulang. Tujuan dari penelitian ini adalah untuk menguji variabel-variabel yang mempengaruhi keputusan konsumen untuk membeli barang ramah lingkungan. Purposive sampling digunakan untuk menyebarkan sejumlah survei. PLS, atau partial least squares, adalah teknik analisis yang digunakan dalam penelitian ini. Temuan studi ini menunjukkan bahwa persepsi risiko dan pengetahuan produk berhubungan langsung dengan kepercayaan ramah lingkungan. Niat membeli ramah lingkungan secara langsung dipengaruhi oleh pengetahuan dan kepercayaan produk ramah lingkungan. Pengetahuan produk ramah lingkungan dan risiko yang dirasakan terkait dengan niat untuk melakukan pembelian ramah lingkungan mungkin dipengaruhi secara tidak langsung oleh kepercayaan ramah lingkungan. Hasilnya adalah dunia usaha harus mengkomunikasikan dengan jelas kepada konsumen mengenai solusi yang diberikan oleh produk ramah lingkungan, melibatkan pelanggan dalam pembuatan tempat pengumpulan sampah, mengungkapkan hasil pengelolaan plastik, dan mengintegrasikan aspek sosial dan berorientasi keuntungan dalam operasi mereka.

**Kata kunci:** Eco-Recyclable, Ramah Lingkungan, Green Trust

## Abstract

Plastic trash is frequently an endless issue. In many circles, there is still discussion on how eco-recyclable packaging came to be. The goal of this study is to examine the variables that affect consumers' decision to purchase green goods. Purposive sampling was used to disseminate a number of surveys. PLS, or partial least squares, is the analytical technique employed in this study. The findings of the study demonstrate that perceived risk and product knowledge are directly related to green trust. Green purchase intentions are directly influenced by green product knowledge and trust. Green product knowledge and perceived risk associated with intention to make a green purchase might be indirectly influenced by green trust. The upshot is that businesses must clearly communicate to consumers the solutions provided by green products, include customers in the creation of garbage collection points, disclose the outcomes of plastic management, and integrate social and profit-oriented aspects of their operations.

**Keywords:** Eco-Recyclable, Green Products, Green Trust

## INTRODUCTION

One of the most important sources of energy that all living things need is water. For humans, water is an important component. As much as 80% of fluid needs come from water, followed by food. To meet the body's needs, each person has a different amount of fluid. For adults, the required water consumption is around eight glasses measuring 230 ml, or 2 liters, per day (P2PTM Ministry of Health of the Republic of Indonesia, 2018). However, other studies say that drinking water intake per day is measured by a person's body weight and daily activity (Lumingkewas, 2016). Of the many AMDK products produced, there are several well-known players who already have quite a large market share. The Indonesian Consumers Foundation (YLKI) survey in February 2022 explained that the largest market share was held by the Aqua, Le Minerale, and Vit brands with percentages of 95.8%, 53.6%, and 20.7%, respectively. Judging from the brand performance analysis, TOP Brand Awareness noted that there are at least five AMDK brands that are easily recognized by consumers in both the offline and online categories in the TOP Brand Index phase 2 2020 list. These brands include Aqua with an

index of 57.2%, Le Minerale with an index of 12.5%, Ades with an index of 6.4%, Cleo with an index of 4.2%, and Club with an index of 3.8% (Lumingkewas et al., 2019).

Based on the data above, it can be said that the bottled water sector has an increasingly large market; unfortunately, this growth has created a polemic because it has the potential to threaten the environment. Exploitation by drinking water companies has caused a decrease in groundwater and contaminated water sources upstream in several regions of Indonesia. This situation implies a higher cost of accessing water (Meisarah et al., 2023). Public attention to environmental issues will also increase in 2020 due to COVID-19. In a survey that was attended by more than 3,000 respondents in eight countries, 70% of them are more aware of human activities that harm the climate and damage the environment so that they can threaten humans themselves. This finally motivated 40% of the people to change their habits in the future (Kurniawati et al., 2022). Due to their increasing attention to the environment, consumers are imposing environmental responsibility on companies in the manufacturing sector. A study explains that consumer encouragement has an influence on green innovation. This indicates that the creation of environmentally friendly product innovations depends on the company's efforts in adopting and practicing innovation when looking at market dynamics such as pressure from consumers (Satyaninrum, 2021).

In the world of marketing, efforts to stimulate environmentally friendly behavior are referred to as green marketing (Raharjo et al., 2023). Green marketing is a comprehensive marketing concept that emphasizes protecting the environment when producing, consuming, and disposing of products. It also promotes environmental awareness of issues like global warming, the dangers of harmful contaminants, and non-degradable solid waste. Several AMDK brands have implemented this strategy to attract consumer interest. These include Ades with packaging that is easy to crush so that it saves on plastic use, Aqua through the Recycling Business Unit (RBU) and packaging made from recycled plastic, and most recently, gallon products whose packaging is eco-recyclable (Harahap et al., 2023). Unfortunately, on the other hand, this product innovation has also come under fire. Based on the social media analytics platform Netray, discussion regarding disposable gallons reached 1.2 thousand tweets with negative sentiment, and disposable gallons increased to 880 tweets from 1.7 thousand tweets during the week. This started with a thread or series of tweets on Twitter containing disappointment with the product, which received engagement of more than 1000 replies, 23000 retweets, and 59000 likes. The thread regrets the company's choice to produce more single-use packaging when society is learning to reduce plastic waste (Tannady et al., 2022).

Le Minerale's issue is particularly regrettable in light of the fact that employing green marketing ought to be able to raise consumer purchasing enthusiasm, also known as green purchase intention. Consumers who have green purchase intentions are those that support environmental causes. However, to encourage the use of green products, consumers need to have knowledge about the product first (Raharjo, 2023). The knowledge in question is in the form of information related to the product, information about its function, and information about its purchase. Consumers comprehend the role of environmental protection and the characteristics of green products better the more information they have about them. With this knowledge, consumers will certainly think about the benefits they will get and the contribution they will make to the environment when consuming these products (Oetomo et al., 2022). This statement is also supported by the theory of purchasing decisions: after searching for information in order to have knowledge of the product being purchased, consumers will evaluate that information first (Pramudito et al., 2023).

The information obtained will later be captured by the stimulus and have an influence on consumer perceptions regarding the product to be purchased (Satiadharma, 2023). Perception is defined as the process that individuals usually carry out to determine, organize, and interpret stimuli. Each person's perception is different in relation to consumer purchasing decisions faced with risk perceptions. When making a purchase, consumers will bear unexpected consequences, so they will pay attention to the risks of purchasing (Yuniarti & Muhtamar, 2022). Consumers who are very risk-averse will see products and brands in a deeper light. Minimizing risks to consumers regarding green products can help eliminate skepticism and increase consumer confidence (Kardini et al., 2023). Trust in green products or green trust results from the credibility of environmentally friendly products, their capabilities, and their impact on the environment (Faliza et al., 2024). The amount of consumer trust in a product can minimize the perceived risk, which will increase the opportunity for consumers to make purchases (Ramli et al., 2023). So it can be said that the stronger the green trust, the stronger the use of

green products because they are considered to be able to improve environmental performance or solve problems.

## METHOD

Objects or people with certain numbers and qualities chosen by researchers to be examined and used as the basis for conclusions make up the population, which is a generalization area. As a result, the population is determined using both the number and all the traits and qualities of the object or topic. The population in this study cannot be described in terms of specific numbers. However, this population is limited in order to get the right data source. The population limit in this study is the number of people who consume gallons of AMDK. In this study, nonprobability sampling was the method of choice for sampling. Purposive sampling was the sample technique used, and the sample size was 100. Secondary and primary data were employed in this study. Researchers use questionnaires as research instruments to obtain primary data. This research uses secondary data obtained from journals, books, and information related to research on the internet. Data quality testing is needed to measure variables using research instruments in the form of questionnaires. This test was carried out with the aim of knowing the validity and reliability of the instruments used so that the research could obtain quality data processing results. Before starting PLS testing, the first step that must be taken is to prepare the data, then draw the model, and then evaluate the model. PLS model evaluation consists of two stages: the first is testing the measurement model (outer model). To be able to do this, two categories of measurement models reflective measurement models and formative measurement models must first be chosen. This study used a reflecting measurement model, or a measurement model that treats the indicator as an erroneous representation of the construct and has a direct relationship between the construct and the indicator. If the first evaluation supports the quality of the measurements, the researcher can continue evaluating the structural model, also known as the inner model.

## RESULTS AND DISCUSSION

Based on the research results, the average statement of agreement (S) reached 46% and was the respondents' biggest choice. Strongly agree (SS) statements were 36%, neutral statements (N) were 16%, disagree statements (TS) were 6%, and strongly disagree statements (STS) were 0%. In general, it can be said that respondents have good knowledge regarding environmentally friendly products. This can be seen from the highest score of 47% in the SS and S statements in the items 'know about products made from recyclable materials' (X1.6) and 'fear of imagining that the products used will disturb the environment'. With a smaller difference, namely 43%, respondents also chose the agree attitude on the items 'know about products that are related to environmental protection' (X1.2) and 'know about the environmental impact of the products purchased and used' (X1.7). This indicates that respondents are able to recognize green products and the consequences that must be borne when consuming them. One element of a green product that is easily identified by respondents is product packaging. This packaging can usually cause problems if it cannot be broken down after use. One of the most famous materials for solving this problem is plastic. Based on the largest answer given by respondents, it was neutral (N) with a value of 32%. Followed by answers of disagree (TS) by 24%, agree (S) by 23%, strongly disagree (STS) by 11%, and strongly disagree (STS) by 10%. In general, it can be said that respondents chose not to interfere with the risks or losses that occurred when consuming the product.

The items 'there is a possibility that something will go wrong with the performance of this product in terms of creating a better environment' (X2.2) with a score of 39% and 'there is a possibility that something will go wrong with the performance of the product in terms of creating a better environment' (X2.1) with a score of 33% received the highest percentage of respondents who gave a neutral response. However, respondents did not agree with the item 'using this product will damage consumers' reputation as people who care about the environment' (X2.5), whose score reached 37%. This indicates that single-use gallons, which were previously predicted to add to the plastic polemic, did not receive a similar response from respondents in this study. Respondents also felt that consuming or buying gallons of Le Minerale would not worsen their image as people who care about environmental sustainability.

Based on the results of the study, most respondents stated neutral (N) on the green trust variable, with a percentage reaching 36%. Respondents also agreed (S) by 30%, strongly agreed (SS) by 25%,

disagreed (TS) by 6%, and strongly disagreed (STS) by 3%. In general, it can be said that respondents do not have a special tendency to believe in gallon bottles as an environmentally friendly product. This statement is supported by the number of respondents who chose neutral for the items 'consumers can rely on the performance of this product in creating a better environment' (Y1.2) as much as 41%, 'the product has environmental concerns in line with consumer expectations' (Y1.4) as much as 38%, 'this product fulfills its promises and commitment to the environment' (Y1.5) as much as 38%, and the product's commitment to the environment is trustworthy' as much as 36%. This indicates that Gallon has not fully met respondents' expectations in terms of developing products that can optimize environmental protection aspects, show willingness, and convince respondents that the product strives to maintain ecological balance.

Based on respondents' answers, strongly agree (SS) was the option most chosen by respondents, with a value of 46%. Followed by the options agree (S) at 42%, neutral (N) at 11%, disagree (TS) at 1%, and strongly disagree (STS) at 0%. In general, it can be said that respondents have a positive attitude regarding their interest in buying green products, and indicators on the green purchase intention variable can have an influence on encouraging this interest. The highest SS scores were in the item 'would recommend pro-environmental products to people in the neighborhood' (Y2.4) with a total of 56% and 'want to buy pro-environmental products' (Y2.3) with a total of 52%. This indicates that respondents have a desire to protect the environment by purchasing sustainable products, and they do not hesitate to promote these products for free.

The values of the green trust (Y1) and green buy intention (Y2) variables are in the range of 0 to 0.50, according to the R-Square results. When it comes to influencing the green purchase intention (Y1) variable, green product knowledge and green perceived risk are deemed insufficient because they can only account for 0.274 or 27.4% of the variation. This indicates that additional factors could potentially have an impact of up to 72.6%. With a slightly higher percentage of 38.4%, green product knowledge and green perceived risk can be used to explain the green trust variable (Y1). Other factors that were not examined in the study account for the remaining (61.6%). The bulk of the variable correlations in this study, including those between green product knowledge (X1), green trust (Y1), and green purchase intention (Y2), green perceived risk (X2), and green trust (Y1), were found to be positive. A path coefficient value of -0.119 indicates a negative correlation between perceived green risk (X2) and green buying intention (Y2). This implies that a decline in green purchase intention (Y2) will occur in response to an increase in the influence of perceived green risk (X2).

The blindfolding process produces a value of  $Q^2$ , which shows that the model's predictive relevance value is small for green purchase intention (Y2), namely 0.160. Meanwhile, the green trust variable (Y1) has a greater value, namely 0.296, which indicates the relevance of the predictive model is moderate. These two variables show values greater than 0, so the value of  $Q^2$  can indicate good model prediction accuracy. The test findings demonstrate that green product knowledge significantly affects green trust. This result is consistent with other research; the positive direction of the association between these two factors demonstrates that consumers' confidence in the features and benefits of a product might increase as their knowledge of green products increases. In a different study, understanding of green products had a large impact on green trust. Therefore, depending on the quantity of information that customers possess, green product awareness may vary or develop into green trust. Consumer confidence decreases as consumer understanding of green products declines since information can be interpreted in a limited way, and vice versa.

The test results demonstrate that trust is significantly influenced by perceived danger. This finding contrasts with earlier research, which demonstrated that perceived danger had a major impact on trust in a bad relationship. Along with the slight environmental risk that green products carry, consumer faith in them may rise. However, this research shows that the minimum risk that will be accepted by consumers causes green trust to be lower as well. The relationship between these two variables is positive. In offering a product, there are five hierarchies that can add customer value. At the most basic level, there is the core benefit, which is the main reason buyers are looking for the product. The core benefit provided by the object of this research is to reduce thirst. Meanwhile, the unique selling point offered is recycled packaging. This is not related to the core benefits of the product to fulfill buyers' thirst, so they do not pay attention to aspects outside of these needs. Therefore, a low perceived green risk does not make buyers' trust in green products low either.

The research results demonstrate that green product awareness significantly influences the intention to make green purchases. Contrary to earlier research, this finding indicates that green product

awareness does not influence the intention to make green purchases. According to this study, consumer product knowledge has not been able to generate buying interest, so a mediator is needed to provide influence. This research shows a positive relationship between information about products owned by consumers and green purchase intention because consumers better understand the benefits and quality of the green products consumed or used. It is clear from the test results that perceived risk does not significantly affect trust. These findings contradict earlier research that claimed perceived environmental danger had a negative and significant impact on perceived environmental trust. However, the findings of this study are consistent with those of other researchers. The dangers or unfavorable effects endured by consumers won't alter their desire in buying products, hence green perceived risk cannot directly contribute to green purchase intention.

The test results show that green trust significantly influences the propensity to make green purchases. This outcome is consistent with earlier studies. Green trust and the intention to make green purchases are positively correlated. Strongly committed shoppers think that using personal green products can lessen environmental degradation. Therefore, consumers may be more reluctant or less interested in purchasing green items if they have low green trust. According to the test results, there is evidence that green product knowledge and green purchase intention are connected through green trust. These findings are consistent with other research; a high level of product knowledge leads consumers to perceive that buying green items has a beneficial effect. The role of green trust, which helps to increase customers' purchasing interest in a product, is another factor that can affect green purchase intention in addition to green product knowledge. Green product knowledge and green buying intent can thus be connected through green trust.

Based on the test results, it can be seen that perceived green risk and green purchase intention are indirectly related through green trust. This result differs slightly from that of earlier studies, which demonstrated that green trust can partially moderate the link between perceived green risk and intention to make green purchases. According to the findings of the previous significance test, green perceived risk cannot influence green purchase intention directly; thus, green trust is necessary to sustain the association between these two variables. The indirect association between desire for green products and perceived environmental risk in this study points in a constructive direction. This suggests that without the influence of green trust, the low risk of green items won't cause green purchasing intentions to decrease. Product packaging is the green component that this research's object offers. The hazards that users will face in this regard have nothing to do with the product's primary advantages, such as the availability of clean drinking water. Due to the primary benefit, they are seeking meeting their daily water requirements for body health consumers are forced to ignore potential detrimental effects on the environment. Therefore, the high level of green trust, which can promote green purchase intention, is unaffected by the low risk that consumers perceive to be present.

## CONCLUSION

Green trust is significantly influenced by one's familiarity with green products. Green trust is very directly impacted by green perceived risk. Green product knowledge significantly influences consumers' intentions to make green purchases. The intention to make green purchases is not much impacted by green perceived risk. The intention to make green purchases is significantly influenced by green trust. Through green trust, green product knowledge indirectly influences one's propensity to make a green purchase. Through green trust, green perceived risk indirectly influences green buying intention. According to this study, both direct and indirect effects of product knowledge on purchase intention have been identified. The statement on this variable received an agree response from the majority of respondents. Consumers are already aware of where to find and how to identify green products. Additionally, this study discovers that perceived green risk influences purchase intention indirectly through green trust. The response of the majority of respondents to the statement on this variable is neutral. Additionally, this study discovered that purchasing intention is directly impacted by green trust. Last but not least, this study discovered that the typical responder significantly agreed with the green buy intention statement. Customers have demonstrated a significant desire to give green items top priority when they shop.

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