### The Influence of Green Brand towards Green Personal Care Product Purchase Decision with Green Knowledge as Moderating Variable

(A Study on "Original Source" Consumers in Malang)

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#### MINOR THESIS

Presented in Partial Fulfillment of the Requirements of the Degree of Bachelor of Economics and Business



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#### Abstrak

Menjadi salah satu industri yang berpengaruh tinggi terhadap lingkungan, industri barang konsumen yang bergerak cepat, terutama kategori perawatan diri, adalah bisnis yang sedang berkembang di Indonesia.Banyak bisnis barang konsumen bergerak cepat yang telah mengalihkan bisnis mereka menjadi bisnis yang lebih hijau dan berkelanjutan. Walau begitu, jumlah sampah yang menumpuk di Indonesia masih menjadi yang terbesar kedua di dunia. Hal ini menunjukkan untuk membeli produk rendahnya keputusan hijau oleh konsumen Indonesia.Penelitian ini bertujuan untuk mengidentifikasi apakah persepsi Merek Hijau pada merek Original Source mempengaruhi Keputusan Pembelian Produk Hijau pada konsumen dan apakah Pengetahuan Hijau memoderasi hubungan tersebut. Tipe penelitian ini adalah penelitian eksplanasi dengan pendekatan kuantitatif.Data yang digunakan adalah data primer dalam bentuk survey dengan kuesioner sebagai instrumen pengumpul data. Terdapat 150 responden yang berperan sebagai sampel yang dipilih berdasarkan beberapa kriteria. Metode analisis yang digunakan adalah Analisis Regresi Berganda menggunakan perangkat lunak SPSS 23 untuk Windows. Hasil dari penelitian mengimplikasikan bahwa pengaruh Merek Hijau terhadap Keputusan Pembelian Merek hijau adalah positif dan signifikan. Temuan kedua menunjukkan bahwa Pengetahuan Hijau dapat memoderasi dan melemahkan hubungan antara Merek Hijau dengan Keputusan Pembelian Produk Hijau.

Kata Kunci: Merek Hijau, Pengetahuan Hijau, Keputusan Pembelian

### The Influence of Green Brand towards Green Product Purchase Decision with Green Knowledge as Moderating Variable (A Study on "Original Source" Consumers in Malang)

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#### Abstract

Being one of the industries that highly impacts the environment, the Fast-Moving Consumer Goods (FMCG) industry, especially the personal-care category is a growing business in Indonesia. Many FMCG businesses have shifted their business into a greener and more sustainable one. Even so, the amount of waste stockpiled in Indonesia is still the second largest in the world. This shows the low decision to purchase green product by Indonesian consumer. This research aimed to identify whether if Green Brand perception in Original Source brand impact consumer Green Product Purchase Decision and whether if Green Knowledge moderate the influence. The type of research is explanatory research with a quantitative approach. The data used was primary data in the form of a survey with a questionnaire as the data collection instrument. There are 150 respondents as the sample selected based on several criteria. The analysis method used is Multiple Regression Analysis (MRA) using the SPSS 23 software for Windows. The result of the research implies that Green Brand influence is positively significant to Green Product Purchase Decision. The second finding shows that Green Knowledge influence is able to moderate and weaken the relationship of Green Brand towards Green Product Purchase Decision.

**Keywords**: Green Brand, Green Knowledge, Purchase Decision

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#### **CHAPTER I**

#### INTRODUCTION

#### 1.1 Background of the Study

Today, the earth condition is significantly changing from good to worse. One of the main reasons is global warming. Global warming is a global temperature increase in the earth's surface. It happens when the earth is unable to radiate back sunlight's heat to space because of the re-absorption by gases such as carbon dioxide, ozone, and methane. The earth's inability to radiate back heats the planet's surface along with its atmosphere (Shahzad, 2015). This heating causes slow destruction on the earth's surface. According to the Australian World Wildlife Fund (2018), global warming has caused the rise of the sea-level, intense and more frequent weather events, as well as oceans being warmer and more acidic. As in Indonesia, global warming has caused the overall temperature to increase 0.3°C along with the change of the pattern of the weather. It has also emerged threats to Indonesian biodiversity (World Wildlife Fund Indonesia, 2007).

As a result of the phenomenon, in this era, every party needs to react and engage in actions in order to help to sustain the planet. Several ways have been proven to help to decrease and prevent the further effect of global warming. One of them is to produce and to use eco-friendly product. According to Mei, Ling, and Piew (2012), eco-friendly product or green product is a product that does not pollute the environment and contributes less negative impact compared to its other alternatives. Another explanation by Chen and Chai (2010) green product is a product that is environmentally sound in both content and packaging, which then

will reduce its environmental impact. Two contributing parties are the company who produces the goods and the customer who buys and uses the product as these two parties are where a product movement starts and where the product movement ends. By producing an eco-friendly product, a company can be seen as a company that helps to sustain the earth. Based on the journal by Heck and Yidan (2013), a company that practice environmental responsibility will impress consumer mind and eventually will enhance the company's brand image as well as brand awareness. As for the consumers, by using an eco-friendly product, they are playing a part in preserving the environment by reducing pollution, waste, and thus reducing the rate of disaster (Al Mamun*et al.*, 2018).

The awareness about the environment had changed the way human lives, along with how the organizations do their activities. It is shown through the shift in business approach where businesses lead their business into a more sustainable business with environmentally friendly activities which is widely known as green marketing (Ridwan *et al*, 2018). Quoting Polonsky and Jay (1994), green or environmental marketing consists of all activities, designed to generate and facilitate any exchange indented to satisfy human needs and wants, such that the satisfaction of these needs and wants to occur with a minimum detrimental impact on the natural environment.

From the explained phenomenon of global warming and its impact, many companies are starting to compete in innovation to create eco-friendly products that do not harm the environment and further destroy the earth. One of the industries that profoundly impact the environment is the Fast-Moving Consumer Goods (FMCG) industry due to the fact that environmental degradation is driven

by unsustainable consumption habits of private household (Cruz and Prabawani, 2017). Fast-Moving Consumer Goods (FMCG) or Consumer Packaged Goods (CPG) are non-durable goods, quickly sold and usually are low in cost (Brierly, 2002 in Fouladivanda *et al.*, 2013). Based on the third revision of International Standard Industrial Classification (UN DESA, 2008), FMCG goods are categorized into seven categories which are:

- 1.ISIC 471 Retail sale in non-specialized stores
- 2.ISIC 472 Retail sale of food, beverages, and tobacco in specialized stores
- 3.ISIC 4772 Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles in specialized stores
- 4.ISIC 4773 Other retail sale of new goods in specialized stores
- 5.ISIC 4781 Retail sale via stalls and markets of food, beverages and tobacco product
- 6.ISIC 4791 Retail sale via mail order houses or Internet
- 7.ISIC 4799 Other retail sale not in stores, stalls or markets

According to Statista (2018), a provider of market and consumer data, Indonesian cosmetics and personal care market are expected to grow annually by 7.2% in 2018-2021. It shows that personal care is one of the potential segments in Indonesia for fast moving consumer goods and is currently growing. It also gives insight into the FMCG industry, especially in the personal care segment that they can innovate and create new personal care FMCG products.

Recently, in the Fast-Moving Consumer Goods industry specifically personal care segment, there are plenty of companies who stand by their green values. As explained by Kline & Company (2008) in Ling (2013), the market of green

personal care products in Asia is having a higher potential or opportunity to grow compared to the non-green personal care sector. In this segment, Indonesia has new eco-friendly brands namely; Sensatia Botanicals, Evete Naturals, Dr. Soap, Tiff Body, etc. All brands are established around 2015 to 2017. Meanwhile, for the global market, there are many eco-friendly brands such as The Body Shop and Original Source, which has been established since the early 20<sup>th</sup> century.

One of the well-known green personal care brands in Indonesia is The Body Shop, a brand that has been established since 1976. The Body Shop is a global ethical beauty business with five main values; support community through fair trade, activate self-esteem, defend human rights, against animal testing, and protect the planet. Its products include personal care products such as bath treats, body lotion, soaps, shampoos, and many more (The Body Shop, 2019). It is a brand with middle range price segmentation due to those values and the perceived quality of its products. The Body Shop products are available exclusively to its counters to make sure the product value is fully delivered to the consumer.

Original Source is a personal care brand established in the mid-1990s (Original Source UK, 2019). It currently operates under its parent company, PZ Cussons, a British healthcare manufacturer and is available worldwide such as in Australia, Indonesia, New Zealand, Poland, and the UK (PZ Cussons, 2018). Original Source's products include personal care and hygiene products that include shower gels, body butter, body mist, body scrub, hand wash, and men's products. Original Source products are well-known for being natural, cruelty-free, andalso for the youthful campaign. In Indonesia, Original Source products can be found in several selected supermarkets, convenient stores and pharmacist such as

Guardian, Superindo, Hypermart, Carrefour, Giant, Watsons, Century and many more (PZ Cussons, 2017).

As for the Indonesian local green personal care brands, there are several brands such as Evete Naturals and Solusi by Martha Tilaar. Evete Naturals is a brand by CV Triserva Natura; it has been established since 2014 in Yogyakarta. This brand aims for a line of high quality, simple, natural cosmetic products with no fillers and no unnecessary ingredients. Its products include body care range; body butter, body scrub and soap, face care; face mask, face oil, and face mist, and more. Evete Naturals products are available exclusively to its stores and a very few stockiest or resellers around Indonesia (Evete Naturals, 2016).

Solusi by Martha Tilaar is a brand under Martha Tilaar, a well-known personal care brand in Indonesia. It claims to be Indonesia's first certified organic cosmetic with no animal testing. The line includes face personal care products and the price is in the middle range. Even though Martha Tilaar is a long established brand, this sub-brand is fairly new to the market, launched in 2013. Solusi by Martha Tilaar is available to be purchased by the consumer in many convenient stores, supermarkets, and pharmacist as well as on its website (Martha Tilaar Group, 2016).

Comparing the several green personal care brands that are currently available in Indonesia, the researcher has carefully chose Original Source consumers as the research object due to Original Source's affordability that allows more consumer to have high buying capacity towards the product, the accessibility that allows consumer to easily buy its products, and the duration of its establishment as well as it being a global brand, that increases the possibility of its products being

bought by more people which therefore will ease the researcher in seeking respondents.

The breakdown of several green personal care brands above shows that the Indonesian personal care category of FMCG industry, especially the green one is currently rising and many new brands are emerging. However, there are still not many green consumers in Indonesia. A journal article by Narula and Desore (2016) stated that a green consumer is a consumer who seeks for green product attributes that they think are able to give environmental benefits such as recyclable, without decreasing any part of the utilitarian performance and quality of that product. As compared to green characteristic, consumers will always make purchase simplicity, product use, and disposal as their preference. A study also claimed that green consumers are young adults that are more likely to have more money to spend on green products and are more likely to be well educated (Laroche and Barbaro-Forleo, 2001). Michaud and Llerena (2010) supported all views by stating that a green consumer will not pay more for green products in the absence of environmental information.

**Table 1.1: The Countries Polluting the Oceans the Most** 

Rank	Country	% Plastic Waste	% Mismanaged	Mismanaged Plastic Waste	Plastic Marine Debris
		Tastic Waste	Waste	(MMT/Year)	(MMT/Year)
1	China	11	76	8.82	1.32 - 3.53
2	Indonesia	11	83	3.22	0.48 - 1.29
3	Philippines	15	83	1.88	0.28 - 0.75
4	Vietnam	13	88	1.83	0.28 - 0.73
5	Sri Lanka	7	84	1.59	0.24 - 0.64
6	Thailand	12	75	1.03	0.15 - 0.41
7	Egypt	13	69	0.97	0.15 - 0.39
8	Malaysia	13	57	0.94	0.14 - 0.37
9	Nigeria	13	83	0.85	0.13 - 0.34

Source: Jambeck et al., 2015

The fact that there are not enough green consumers in Indonesia is proven by data released by Jambeck *et al.* (2015) that stated the amount of plastic waste stockpiled by Indonesian people is the second largest in the world after China. It shows that there are still plenty of consumers who decided to buy non eco-friendly product over the eco-friendly product that does not cause plastic waste because of its recyclable feature.

The lack of Indonesian green consumers also implies that there is not enough green product purchase decision. Purchase decision of green consumers or Green Product Purchase Decision (GPPD) is described in several forms based on different perspectives. Gadenne *et al.* (2011) explained that GPPD is described in the form of adopting sustainable consumption practices. Essoussi and Linton (2010) describe GPPD as the likeliness to spend more on green products. It can be said that GPPD is the form of support for green practices. In making the purchase decision, there are several steps that the customers went through before they finally reach the purchase decision stage.

The Model of Buyer Behavior by Howard and Sheth (1969) explains the way consumers behave before deciding to buy a certain product. This model is suitable to explain the purchasing behavior of FMCG consumers because FMCG is goods that are repeatedly bought by buyer, which is the focus of this specific model. This model explained how symbolic and significative stimuli inputs such as brand and how a customer perceives the brand is included in customer purchase decision concerns. There were also several research that had been conducted in the past to identify the significance of the influence of brand towards purchase decision. An article by Arianty (2016) stated that brand does hold a significant influence

towards purchase decision, yet it is not as significant as the influence of promotion towards purchase decision. However, a thesis by Romdonny and Rosmadi (2018), identified that the significance of the influence of brand towards purchase decision is greater than the influence of promotion. The difference between both research created a gap within the matter. Both promotion and brand are interesting to be further researched. However, due to time limitation, brand will be the variable researched in this thesis.

According to Campell (2002), a brand is a complex entity showing the commitment of an organization to the customer; it is not just a company name or a product. It can also be considered as company's promise to the customer, regarding what the product will provide and how it will fit the customer. From consumer perspective, brands are communicating their identities to society, specific groups or individual (Strizhakova *et al.*, 2008). It is an important attribute of consumer culture, for both the commodity's utility value and its symbolic strength. It helps them to sustain their identity and symbolic meaning (Bengtsson, 2006). Brands can be associated differently based on meanings by consumers; perceived quality, self-identity, group identity, values, family traditions, and so on. Those different meanings may affect their functional, experiential and symbolic benefits (Siamagka *et al.*, 2015).

Lately, the term Green Brand has been widely used in marketing activity. In marketing, the term "green" refers to products, laws, services, policies and guidelines considered to avoid or minimize harm to the environment. This explanation also refers to the term environmental, environmentally friendly, and nature-friendly (Kawitkar, 2013). It has been used as a representation of many

brand positioning strategies such as energy efficient, organic, and environmental friendly (Parker *et al.*, 2009 in Mourad and Ahmed, 2012). As explained by Yazdanifard and Mercy (2011), green brands are those brands that are associated with environmental conservation and sustainable business practices by consumers. As explained above, one of the links to successful green brand is company's philosophy (Parker *et al.*, 2009 in Mourad and Ahmed, 2012).

According to Rios *et al.* (2006), when a brand positions itself as a "green brand", there are many communications and differentiation that distinguishes that brand from its competitors by emphasizing its eco-friendly attributes. As to that matter, it is important for green consumers to have knowledge in order to distinguish between green brand products and non-green brand products. It has also been stated by Laroche and Barbaro-Forleo(2001) that the customers of green brand are more likely to be more educated, which means those customers have gained more knowledge; hence the reason of why Green Knowledge (GK) is chosen to be the moderating variable of this research. There are several opinions regarding the explanation and definition of Green Knowledge (GK) which will be explained in the second chapter of this research. There are several research which shows the relationship between Green Knowledge (GK) and Green Brand (GB). A research by Septiani, Achmadi, and Santoso (2014) stated that Green Knowledge significantly influenced the purchasing decision.

Since the number of green consumer is not as many as the number of nongreen consumers and the gap between several research regarding the influence of brand towards purchase decision, the researcher would like to know whether Green Brand offered by companies does influence consumer Green Product Purchase Decision, and whether if Green Knowledge moderates that influence. Therefore, the researcher is interested in conducting a research entitled "The Influence of Green Brand towards Green Personal Care Product Purchase Decision with Green Knowledge as Moderating Variable (A Study on "Original Source" Consumers in Malang).

#### 1.2 Problem of the Study

The lack of green consumers in Indonesia even though fast-moving consumer goods industry especially the personal care segment is growing, has brought few questions that need to be answered. Given that, there are three specific questions that emerged and will further be refined in the next chapters. The research questions are:

- 1. Does Green Brand (GB) influence customer Green Product
  Purchase Decision (GPPD)?
- 2. Does Green Knowledge (GK) influence customer Green Product
  Purchase Decision (GPPD)?
- 3. Does Green Knowledge (GK) moderate the influence of Green Brand (GB) towards Green Product Purchase Decision (GPPD)?

#### 1.3 Objective of the Study

This research would like to reveal whether if Green Brand within Fast-Moving Consumer Goods, especially in personal care segment will impact consumer Green Product Purchase Decision and whether if Green Knowledge moderate the influence. Thus, there are three goals of this research project:

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- To identify whether or not Green Brand (GB) influence customer
   Green Product Purchase Decision (GPPD).
- 2. To identify whether or not Green Knowledge (GK) influence customer Green Product Purchase Decision (GPPD).
- 3. To identify whether or not Green Knowledge (GK) moderate the influence of Green Brand (GB) towards Green Product Purchase Decision (GPPD).

#### 1.4 Significance of the Study

The result of this research will be valuable for the fast-moving consumer goods industry, especially in the personal care segment. The research result will help companies to determine whether or not they should decide to continue doing green branding activities to market their product. The research result as well will screen alternative decision for non-eco-friendly fast moving consumer goods companies to engage in green business such as possibly creating a new eco-friendly sub-business on this specific market segment to keep their business as relevant as possible to the current trend. The result will also give insight to the companies whether or not to offer better information towards consumers regarding the term Green. Giving information to consumers is not an easy task and not cheap; therefore marketers need to know whether if Green Knowledge does moderate the influence of Green Brand towards Green Product Purchase Decision. It will determine whether increasing consumer Green Knowledge is worth the effort for the business.

As for the researcher, this research project will be a platform to implement the theories learned in the university into the real world. Through this research project, the researcher will be able to understand further about marketing, especially Green Brand, Green Knowledge and its relation to Green Product Purchase Decision.



#### **CHAPTER II**

#### REVIEW OF RELATED LITERATURE

#### 2.1 Review of Theory and Previous Research

#### 2.1.1 Green Brand

Brand is a name, symbol or specific design or several combinations of elements designed to identify goods or products offered by a company. Brand is what distinguishes one product or services of a company to the other (Tengor *et al*, 2016). Brand can also be described as promises given by a company in order to consistently deliver the characteristic, benefit, and specific service to the customer (Abdullah and Tantri, cited by Kurnia, 2016). In short, brand is an important attribute of a product in which it delivers a consistent message regarding what and how the product should be towards the consumer through symbol, brand name, and so on.

According to Heri (2017), green grand is associated by consumers as a product with environmental conservation and a business practice that is sustainable. A green brand is understood for having a unique selling point which is environmentally oriented. It is reflected in a positive image towards the product and the company itself. The green positioning strategy can be used to build brand association by giving out information throughout the image. It can be done by doing green marketing activities. Green marketing activities are positively reflecting the company's intangible value. Hence, by doing marketing activities, companies are also building green brand equity (Mourad and Ahmed, 2012). The main

objective of an organization has always been building a strong brand since it will provide benefits such as; strong position maintenance, extension opportunities as well as larger margins (Delgado-Ballester and Munuera-Aleman, 2005). A theoretical framework by Chen (2009) mentioned that there are three ways to enhance green brand equity; the aspects of green brand equity that can be used to evaluate and enables the evaluation of a green marketing concept include:

#### 1. Green Brand Image

Padgett and Allen (1997) suggested that brand image is the perceived set of perceptions and association about specific offerings. Brand image refers to the strong, unique, and favorable association of the brand in consumer memory (Keller, 1993). Green brand is also defined as a collection of perceptions about a certain brand in the minds of consumers which related to the brand's commitment to protecting the environment (Chen, 2009).

#### 2. Green Satisfaction

Satisfaction is the after-consumption pleasure level reached by the consumer toward a brand's action that is responsible for the environment (Mourad and Ahmed, 2012).

#### 3. Green Trust

As cited from Mourad and Ahmed (2012), trust is defined as the confidence of other party behaving the exact way

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towards one's expectation. It can also be defined as the consumer belief toward a green or eco-friendly product.

Thus, this aspect is significantly affecting customer purchase decision.

Mourad and Ahmed (2012) explained several aspects that were discussed in the perception of the green brand, which are:

- 1. Green Brand Image
- 2. Green Satisfaction
- 3. Green Trust
- 4. Green Awareness

Green awareness is consumer awareness to remember and recognize the green feature of a brand. Keller (1993) stated that brand awareness is brand node's strength in consumer memory. In order to raise brand awareness, a company that includes environmentally friendly in its portfolio must conduct green marketing activities, such as providing information about its environmental concerns (Chen and Chang, 2012; Martin and Simintiras, 1995).

In conclusion, a green brand can be concluded as a brand that is perceived and associated as a brand that is environmentally-oriented.

#### 2.1.2 Green Knowledge

Knowledge is referred to as a characteristic that influences every phase in the process of decision-making. Specifically, knowledge is a relevant and important construct that influences how consumer gathers and

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arrange information, the amount of that information will be used to make a decision and determine how that consumer evaluate the goods or services (Haryadi, 2009). Consumers are expecting to get and receive environmental issues information which is reliable in order to boost their Green Knowledge and therefore facilitate green product purchases. (Geyer-Allely and Zacarias-Farah, 2003). There are numbers of studies that have reported the positive impact of environmental knowledge towards consumer intention and actual purchase of green products (Mohd Suki, 2016). The indicators of Knowledge according to Haryadi (2009) are stated below:

#### 1. Environmental/green knowledge

Environmental knowledge is consumer knowledge and understanding of the current green or environmental issues.

#### 2. Consumer awareness

Consumer awareness is the awareness of using green products or brands and the understanding of its effects on the environment.

#### 3. Environmental regulation

Environmental regulation is referred to as consumer understanding of the environmental regulation that surrounds them.

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#### 2.1.3 Green Product Purchase Decision

#### a) Green Product

Ever since the awareness of natural damage increased, there has been an increasing demand worldwide over green products (Khumar and Godeswar, 2015). Based on a view by Gurau and Ranchhod (2005), a green product is a product that is manufactured based on an environmentally friendly procedure and is using toxic-free ingredients; a green product is also a product that is certified by recognized organizations. According to Bai *et al.* (2018), a product is considered as a green product based on different reasons such as its production and its usage. If seen from the production process, it is a green product because it went through the supply chain with green process and using green materials, although not being totally eco-friendly in terms of the usage. Meanwhile, a green product can also be green in terms of the consumption such as photovoltaic solar panels, despite the production that is not totally green.

According to D'Souza *et al.* (2006), there are three aspects of the green product:

#### 1. Product perceived value

The way consumers see value given by green product as a product that is harmless for the environment.

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#### 2. Packaging

The packaging aimed to present the visibility of environmental concern element for the customer.

#### 3. Product label

Aimed to further inform the safety characteristic of the product to the customer, as well as helping the company to be positioned as an environmentally concerned organization.

#### b) Purchase Decision

Purchasing decision towards a product is closely related to consumer behavior. Based on a journal article by Hanaysha (2018), before making any purchase, there is a sequence of formatted choices by a consumer after he/she has a need and is willing to fulfill it. They should reach decisions in terms of purchasing such as purchase quantity, place of purchasing, time to buy, amount to spend, desired brand and model, and payment method. However, marketers can influence these decisions by providing information which may contribute to their assessment process.

Previous studies have explained the meaning of Green Purchase Decision. Green Purchase Decision means to support companies that are addressing environmental issues to buy green products and social conformity, all in all, to support green companies (Schlegelmilch *et al.*, 1996). According to Kumar and

Godeswar (2015), values, attitudes, information, need, stimulus and beliefs are the things that influence Green Purchase Decision. In the purchase decision, there are two important aspects. The first one is the external factors such as social status, product features such as performance, quality, and price. The second one is the internal factors such as eco-friendly behavior, green experience, environmental responsibility as well as environmental knowledge (Vermeir and Verbeke, 2004). The way consumers take purchase decision while considering environmental responsibility and protection is less explored and discussed. According to Kotler and Keller (2012), there are five stages of the buyer decision-making process:

#### 1. Problem Recognition

A stage when a consumer realizes what their problems/needs are.

#### 2. Information Search

A stage when a consumer seeks information towards the offered alternatives of a product.

#### 3. Evaluation of Alternatives

A stage when a consumer evaluates, as well as screening which product to buy based on their analysis.

#### 4. Purchase Decision

A stage when consumers decide which product they choose and purchase the product.

#### 5. Post-Purchase Behavior

A stage when a consumer is able to give feedback whether he/she is satisfied, dissatisfied or delighted about the purchased product.

According to Simamora (2002) in Azmi (2016), every purchasing decision is related to four decisions, which are:

#### 1. Decision about the type of product

Consumer can decide to buy a product that is offered by a company. That decision is related to size, quality, and pattern.

#### 2. Decision about the form of product

Consumer must make a purchase decision based on the form of the product. In this case, the company must be able to know how to create an interesting visual element of the product.

#### 3. Decision about the brand

Consumer must make a decision regarding which brand will be purchased. In this case, the company must know how a consumer chooses a brand.

#### 4. Decision about the seller

Consumer must make a decision where a product is sold; it is about the location of where that product is sold.

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#### 2.1.4 Previous Research

- 1. Hidayah (2017) in her thesis entitled "The Influence of Brand towards Product Purchase Decision" used Brand Image as the independent variable and Product Purchase Decision as the dependent variable. The minor thesis aimed to identify the influence of Brand towards to Product Purchase Decision of the brand Elizabeth and to identify how significant the influence of Brand towards the Product Purchase Decision. This research was conducted in Banten towards the 89 students of IAIN SMH. The research was quantitative and the data analysis techniques were including validity test, T-test, simple linear regression analysis, simple correlation coefficient analysis, determination coefficient, and normality test. The result of this research showed that brand does influence product purchase decision by 48%.
- 2. Septifani, Achmadi and Santoso (2014) in their journal article entitled "The Influence of Green Marketing, Knowledge and Purchasing Intention towards Purchasing Decision", used Green Marketing, Knowledge and Purchasing Intention as the independent variable and used Purchasing Decision as the dependent variable. The article aimed to determine the effect of the independent variable towards the purchasing decision of ready-to-drink tea in returnable glass bottling. The main instrument of the data collection was a questionnaire. The

questionnaire was filled out by 160 respondents who are the RTD tea in RGB consumers in Malang. Structural Equation Modeling (SEM) was used in this research. The results showed that green marketing, knowledge and buying interest has a positive and significant influence on purchasing decision of RTD tea in RGB.

3. Haryanto and Budiman (2014) in their research publication entitled "The Role of Environmental Knowledge in Moderating the Consumer Behavioral Processes toward the Green Products" surveyed the Green Product-mind in Indonesian. This research aimed to test the moderating effect of Environmental Knowledge towards several independent variables which are Green Brand Positioning, Functional Benefit, Emotional Benefit, and Product Necessity on the Positive Attitudes towards Green Product. There were 400 samples collected, from those who are interested in green products. The method chosen was convenience sampling and tested using hierarchical multiple regression analysis to test the main effects and interaction effects of the observed variable. The result explained that the relationship between the green brand positioning and the attitude toward green products is the only relationship that could be moderated by environmental knowledge, but the pattern is negative. Meaning, the higher the environmental knowledge, the

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- weaker the relationship between green brand positioning and positive attitudes toward green products.
- 4. A journal by Mohd Suki (2016) entitled "Green Product Purchase Intention: Impact of Green Brands, Attitude and Knowledge" has five objectives. However, examining the moderating effect of green brand knowledge on the relationship between green brand positioning and green product purchase intention is the highlighted and relevant aim of this research. The research was a using quantitative method and was filled out by 350 respondents, and the usable was 300 samples. The respondents of this research were the people who do daily green lifestyle and must have the experience of green product purchasing such as purchasing organic vegetables at least once a week at many retail chains in the Federal Territory of Labuan, Malaysia, in which this research was conducted. The data taken was processed using PLS, and it was found that the value of interaction term estimation is non-significant and thus green brand knowledge could not moderate the relationship between green brand positioning and green product purchase intention.
- 5. Braimah and Twendeboah-Koduah (2011) in their journal entitled "An Exploratory Study of the Impact of Green Brand Awareness on Consumer Purchase Decisions in Ghana". The study determines Ghanaian consumer awareness of green

marketing issues and whether it impacted on their purchase decisions.200 respondents were interviewed from 4 satellite markets within Accra. The findings indicate that Ghanaian consumers have a low level (15.5%) of awareness of green marketing issues and it affected the purchase decision of only 7%. Price was ranked ahead of green concerns as influencing purchase decisions. It was established that younger consumers are more likely to be influenced by green issues. Ghanaian consumer awareness of green issues can be enhanced if green brands producers and campaigners develop strategic promotional activities.

6. Mourad and Ahmed (2012) in their journal entitled "Perception of Green Brand in an Emerging Innovative Market" aims to study the main factors affecting the green brand preference in the telecom industry in Egypt as an example of an emerging innovative market by developing a conceptual framework highlighting the dimensions of the green brand preference focusing on four constructs; green brand image, green satisfaction, green trust, and green awareness. The researchers started with qualitative exploratory research in order to support the conceptual framework followed with quantitative research in the form of a survey distributed among 302 respondents. The results show that the correlation between green awareness and green brand preference is the weakest but there are a strong correlation and a positive effect of the other factors to green brand preference. The next result shows that the effect of the factors on green brand preference wasn't significantly different for different genders; however, it was significantly different for other moderating variables.

- 7. Azmi (2016) in his research entitled "The influence of Green Product, Green Advertising, and Green Brand towards Philips LED light Purchase Decision" stated that the objective of his research was to know the influence of green product, green advertising and green brand on purchase decision of Philips LED light purchase decision on consumer in Minggir, Sleman. The research was descriptive research and the data was collected using a questionnaire. 195 samples were obtained. The multiple regression analysis was used to conduct the hypothesis test in this research. The result of the research showed that all three independent variables positively influenced purchase decision both partially and simultaneously.
- 8. Haryadi (2009) in his research entitled "The Influence of Green Marketing Strategy towards Customer Choice through Marketing Mix Approach" aimed to analyze the effect of green marketing strategy to customer choice of The Body Shop cosmetic company in Jakarta. The research was

conducted using questionnaire with 120 people as the sample. Hypothesis examination in this research was with multivariate using logistic regression. Analysis result indicates that price, product, place and gender variable does affect customer choice, while promotion, age, knowledge, and salary variable do not.

Below is the table that summarizes all the previous research:

**Table 2.1: Previous Research** 

NO.	Researcher	Variables	Result of Research
1.	Hidayah (2017)	Dependent:     • Product Purchase     Decision Independent:     • Brand	Brand influences     Product Purchase     Decision as big as     48%.
2.	Septifani, Achmadi, and Santoso (2014)	Dependent:     • Purchase Decision Independent:     • Green Marketing     • Knowledge     • Purchase Intention	Green marketing, knowledge and buying interest has a positive and significant influence on purchasing decision
3.	Haryanto and Budiman (2014)	Dependent:     Positive Attitude towards Green Product Independent:     Green Brand Positioning     Functional Benefit     Emotional Benefit     Product Necessity Moderating Variable:     Environmental Knowledge	Environmental Knowledge could moderate the relationship between Green Brand Positioning and Positive Attitude towards Green Products, with negative pattern.
4.	Mohd Suki (2016)	Dependent:  • Green Product Purchase Intention	Green brand knowledge could not moderate the

5.	Braimah and Twendeboah- Koduah (2011)	Independent:	relationship between green brand positioning and green product purchase intention.  • Awareness of green marketing issues affected the purchase decision of only 7%.
6.	Mourad and Ahmed (2012)	Dependent:      Green Brand Image     Green Brand     Satisfaction     Green Brand Trust     Green Brand     Awareness Independent:     Green Brand     Preference Moderating:     Income Level     Education Level     Age     Gender	<ul> <li>The correlation between green awareness and green brand preference is the weakest.</li> <li>There are a strong correlation and a positive effect of the other factors to green brand preference.</li> <li>The effect of the factors on green brand preference wasn't significantly different for different genders, while it was significantly different for other moderating variables.</li> </ul>
7.	Azmi (2016)	Dependent:      Green Product     Green Advertising     Green Brand Independent:     Purchase Decision	Green Product, Green     Advertising, and     Green Brand     positively influenced     purchase decision     both partially and     simultaneously.
8.	Haryadi (2009)	Dependent:      Price     Product     Place     Promotion     Demographic     Characteristic     Knowledge  Independent:     Customer Choice	Price, product, place and gender variable does affect customer choice while promotion, age, knowledge and salary variable does not.

# 2.2 Relationship between Variables

# a) The Influence of Green Brand towards Green Product Purchase Decision

A buyer model of behavior by Howard and Sheth (1969) showed that consumer behaviour is a complex process and made through concepts of learning, perception, and attitudes that influence the behaviour. This model of decision-making applies to individuals. There are four sets of variables within this model which are the inputs, perceptual and learning constructs, outputs and exogenous variables. Within the input, there are three stimuli crucial for the decision-making process.

### 1. Significative stimuli

A significative stimulus is the tangible, physical characteristics of the product.

# 2. Symbolic stimuli

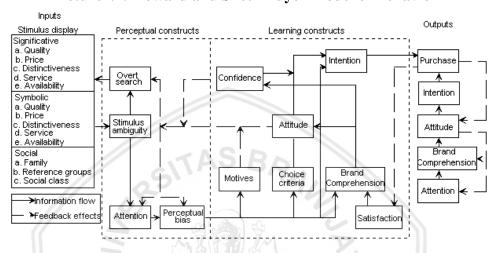
Symbolic stimuli are the same as significative characteristics, but they include the perception of the individual, i.e., price is high or low, the quality position, the difference from the other products, the position of after sales service and the speed or easiness of the availability.

#### 3. Social stimuli

Social stimulus is provided by family, friends, social groups, and social class. As one lives in society and seek approval and appreciation of the society, buying habits have to be governed.

This model also explains how the behavior model will be repeated once a purchase decision is made. It explains the description of how the overall input and output within the model will become an experience, which influences the next behavior.

Picture 2.1: Howard and Sheth Buyer Model of Behavior



Source: Howard and Sheth (1969)

Complementing the model with a relevant topic to this research, lately, many companies are shifting their business into a more sustainable business by green brand. Based on this model, the actual offer of a brand and how the consumer perceives that offer is connected to the actual purchase decision of the consumer. Brand impacts brand equity, which intangibly reflects the value of the brand, which is when the value is stronger, the more people will recognize the brand and will be more likely to decide to purchase products from a brand with stronger equity and value than those that are not as strong. As for green products, it is very important to have a strong green brand towards the product in order to spread awareness to people toward the products' green value. The need for a green brand to strengthen the brand equity indicates that there is an association or proximity between green brands

to consumer purchase decision. Based on that concept, Green Brand is positively affecting consumer Green Product Purchase Decision.

# b) The Influence of Green Knowledge towards Green Product Purchase Decision

Within the buyer model of behavior by Howard and Sheth (1969), other than the input, there are also the exogenous or external variables that have its role to the model. These are not shown in the model and do not directly influence the decision process. They influence the consumer indirectly and vary from one consumer to another. One of them could be the knowledge that consumers get outside of what the brand offers or convey. Environmental knowledge is a knowledge that the consumer can get anywhere outside of what the brand informs.

There has been several research that directly and indirectly stated the influence of Green Knowledge as the moderating variable to the relationship between Green Brand and Green Product Purchase Decision. Several researchers like Connell (2010) and Padel and Foster (2005) in Mohd Suki (2016) stated that the lack of information negatively influenced green purchase behavior. It means that with a good amount of information, the green purchase behavior would be positively influenced. Consumers with better environmental knowledge are also proven to have a more positive attitude towards green behavior and thus generating a much stronger green product consumption intention (Huang *et al.*, 2014; Rokicka, 2002 in Mohd Suki, 2016). In addition to that, it is also known that the intention of consumers to support the environment leads towards the green purchase decision (Bukhari

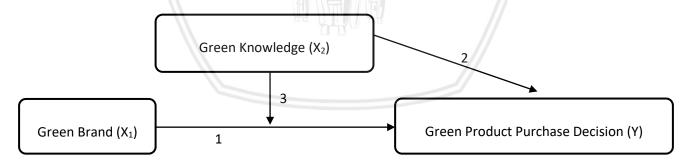
et al., 2017). A consumer with better environmental knowledge knows what is best for the environment, thus will have a higher tendency to make a green buying decision. It can be said that based on those previous research and concepts, Green Knowledge does moderate the influence of Green Brand towards Green Product Purchase Decision.

# 2.3 Research Model and Hypothesis

Based on the research questions and the empirical studies that had been done before, the hypotheses are:

- H<sub>1</sub>: Green Brand positively impacts Green Product Purchase Decision.
- H<sub>2</sub>: Green Knowledge positively impacts Green Product Purchase Decision.
- H<sub>3</sub>: Green Knowledge can moderate the influence of Green Brand towards Green Product Purchase Decision.

The model of this research would be:



Picture 2.2: Research Model

Information:

- 1: The influence of X<sub>1</sub> towards Y
- 2: The influence of X<sub>2</sub> towards Y
- 3: The moderation of  $X_2$  to the influence of  $X_1$  towards Y

# 2.4 Theoretical Model Framework Research Background Previous Research: Theory Literature: 1. Hidayah (2017) 1. Mourad and Ahmed 2. Septifani, Achmadi, (2012)and Santoso (2014) Green Brand (X1) 2. Simamora (2002) 3. Haryanto and 3. Haryadi (2009) **Budiman** (2014) 4. Howard and Sheth 4. Suki (2016) (1969)5. Braimah and Twendeboah-Green Knowledge Koduah (2011) (X2)Green Product Purchase Decision (Y) Quantitative Analysis: Descriptive Analysis 1. Validity and Reliability Test 2. Classical **Assumption Test** 3. Multiple Regression Analysis Findings and Discussion

Picture 2.3: Theoretical Model Framework

Implications and Research Result

### **CHAPTER III**

# RESEARCH METHOD

# 3.1 Type of Research

Based on the research problem and the research purpose, this research is explanatory research with survey orientation, because this orientation attempts to describe what is happening or to learn the reasons for particular marketing activity. It is also quick, inexpensive, efficient and accurate in assessing information about a population (Zikmund *et al.*, 2017). This research is quantitative research because according to Zikmund *et al.* (2017), quantitative research is used to test hypotheses or specific research question, and is commonly used for descriptive/explanatory research.

# 3.2 Population and Sampling

# 3.2.1 Population

Generally, the target population is the consumer of sustainable Fast-Moving Consumer Goods, specifically Original Source buyers in Malang. There is no authoritative number of registered and actual consumers of Original Source. It is why the reason that respondents were chosen is not calculated. In other words, everyone in Malang city who is the consumer of Original Source products is part of the population.

# **3.2.2 Sample**

This research used a nonprobability sampling technique. nonprobability sampling is a sampling technique in which units of the sample are selected based on personal judgment, convenience or quota; the

probability of any particular member of the population chosen is unknown. nonprobability sampling is used in this research because according to Zikmund *et al.*, (2017), nonprobability sampling is well suited for research that has no sampling frame, which is something difficult to obtain.

According to Zikmund *et al.* (2017), there are three procedures for nonprobability sampling method; convenience sampling procedure, judgment sampling procedure, and quota sampling procedure. Convenience sampling is the sampling procedure by obtaining people or units that are most conveniently available. Judgment or purposive sampling is a procedure in which the samples are selected based on specific purposes of the researcher. As for quota sampling, it is a nonprobability sampling procedure that ensures that all various subgroups of a population will be represented to the exact extent that the investigator desires.

The sampling procedure that is used in this research is the judgment (purposive) sampling procedure. Purposive sampling is a nonprobability sampling procedure in which the researcher selects the sample based on his/her judgment about the appropriate characteristic required of the sample member. This procedure is used because there is no list of population and this procedure guaranteed to meet a specific objective in order to develop an understanding about a population (Zikmund *et al.*, 2017).

In order to determine in which area the questionnaire would be distributed and the sample would be sought, secondary research was

conducted for a specific point of view, and the key subject of this research should be people with the stated criteria:

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- 1. Respondent is at least 17 years old in age.
- 2. Respondent is currently living in Malang.
- 3. Respondent has bought Original Source product at least once.

The criterion of respondents being at least 17 years old in age is because according to Kasali (2007), at this age the respondent is considered able to give accurate and responsible data. This is important for this research because it decreases the chance of the data to be inaccurate. It also gives the researcher legalization since respondents are considered fully responsible for the data they had given.

As stated in the first chapter, young adult is one of the potential buyers of green products. Meaning, a potential market place for the green product is the area which made up of many young adults. Given the view, Malang is the city that meets the description of a potential green FMCG market for young adults since Malang is the city with a lot of educational institutions as well as one of the most populated cities in Indonesia and the second largest city in East Java (City Population, 2018). Thus, the questionnaire will be handed out in Malang city from January 2019 to February 2019.

The criterion of respondents has to be experienced in purchasing Original Source at least once is because if so, they had gone through all the stages of the decision-making process. Meaning, they are able to give good data regarding purchase decision. The next reason is that the researcher

As for the sample size, Hair *et al.* (2014) advised that the minimum sample size is 5 to 10 observation for every item. Therefore, with the total amount of 20 question items, the minimum number of sample is 100 and the maximum number is 200. In order for the result to be a lot more convincing, the sample size was more than the minimum number. However, due to the limited time and resource, the amount of sample did not reach the maximum number. So, the sample size was 150 samples. A view by Sekaran (2003) also stated that the sample more than 30 and less than 500 is appropriate for most research. In addition, Hair *et al.* (2014) stated that multiple regressions require a minimum sample of 50 and appropriate sample size for this research.

#### 3.3 Sources of data

## 1. Primary Data

One of the sources of data is primary data, data that is taken directly from the source. This data can be obtained through survey, experiment, and observation. In this research, the primary data will be taken through a questionnaire.

# 2. Secondary Data

Secondary data is data that is recorded and gathered by another researcher before the current project and was aimed for other purposes (Zikmund *et al.*, 2017). The author gathers data from textbooks, journal, and articles, websites, news, reports, as well as other literature.

## 3.4 Data Collection Method

The data collection method used was questionnaire distributed on the internet through Google Form, since this instrument is able to reach a large number of respondents or is geographically flexible, and time and cost efficient (Zikmund *et al.*, 2017). There is no actual data of Original Source consumers in Malang; hence the need for spreading online questionnaire, to reach a larger audience. Seliger and Shohamy (1989) stated that closed-ended questions are more efficient because the data will be easier to analyze. Given that advantage, the question type that will be used in the questionnaire is close-ended questions due to the limitation of time in the process of doing this research.

The data set for the pilot test was obtained by spreading the questionnaire through an Indonesian Personal Care community called Female Daily. This can be

done through uploading a picture asking whether if the members have ever bought Original Source for at least once. Then, they would be directed to the Google Form link in order to be able to fill out the questionnaire.

As for the actual data set, it was obtained through the help of many people to spread the questionnaire. There was one main social media platform to spread the questionnaire; Instagram. Instagram was chosen because there is an enormous amount of Indonesian people who use Instagram that Indonesia has become the third largest Instagram user in the world and is very active according to Katadata (2018). Around 18Instagram accounts of people who live in Malang were chosen based on their follower's number to spread the questionnaire through their Instagram account, by creating Instagram Story where they would insert a poll asking whether if their Instagram followers have or have not ever purchased Original Source product. After 24 hours, their followers would not be able to choose anymore and followers accounts who clicked on the "have ever bought" answer would be directly messaged to be asked to fill the questionnaire. Another social media platform and messaging platforms such as Twitter, Facebook, and Line were also used in order to spread the questionnaire. Twitter and Facebook were used to ask people who meet the criteria to fill the questionnaire and Line through uploading status and Line was used to ask people who meet the criteria to fill the questionnaire through spreading the words about the questionnaire to relevant group chats.

The scale that was used to measure the question items would be the level of agreement or Likert scale:

#### 1 – Strongly disagree

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- 2 Disagree
- 3 Neutral (neither agree nor disagree)
- 4 Agree
- 5 Strongly agree

Likert scale was used because it is a measure of attributes that is designed to allow respondents to rate how strongly they agree or disagree with a constructed statement; it allows the researcher to indicate respondent attitudes (Zikmund *et al.*, 2017). In this research, the researcher had specifically assigned the research variables along with its indicators that will be explained in the next section.

The data collection period started in January and ended in February 2019. The data collection is divided into two collections; pilot test data gathering and actual data gathering. The timeline of the data gathering is shown below:

**Table 3.1: Data Gathering Timeline** 

No.	Activities	January 2019			February 2019				
		1	2	3	4	1	2	3	4
1.	Gathering 30 pilot test data		//						
2.	Conducting pilot test								
3.	Correction of data gathering instrument								
4.	Creating content for questionnaire distribution								
5.	Distributing social media polls								
6.	Sending message and distributing questionnaire to specified respondents								
7.	Data screening								
8.	Additional data collection								
9.	Additional data screening and starting data analysis								

Within the data gathering process, there were several obstacles that had to be tackled, such as misinformation occurred regarding to the respondents. Some respondents were not actually aware of the social media polls and pressed on the

option by accident. Therefore, within the first actual data collection, there were several respondents who never actually purchased Original Source products. Another tricky part is where several respondents who have purchased Original Source product at least once were no longer living in Malang. Therefore, the data from those respondents had to be eliminated and further data gathering had to be conducted.

# 3.5 Operational Definition and Variable Measurement

#### 3.5.1 Green Product Purchase Decision as Dependent Variable (Y)

The dependent variable of this research is the Green Product Purchase Decision. The green product purchase decision meant on this research is the respondent level of agreement of purchase decision towards green products, specifically Original Source products. Consumers have the full right in deciding to buy a product and alternative product that matches their need. In this research, purchase decision will use four indicators adopted from Simamora (2002) in Azmi (2016) which consist of:

- 1. Decision about the type of product
- 2. Decision about the form of product
- 3. Decision about the brand
- 4. Decision about the seller

#### 3.5.2 Green Brand as Independent Variable (X<sub>1</sub>)

According to Tengor *et al.* (2016), brand is a name, symbol or specific design or several combinations of elements designed to identify goods or products offered by a company. Green Brand is associated by consumers as a product with environmental conservation and a business

practice that is sustainable (Heri, 2017). In this research, the respondents will be asked regarding Original Source as a green brand. Mourad and Ahmed (2012) stated that there are four indicators to measure Green Brand:

- 1. Green Brand Image
- 2. Green Satisfaction
- 3. Green Trust
- 4. Green Brand Awareness

# 3.5.3 Green Knowledge as Moderating Variable (X2)

Knowledge is referred to as a characteristic that influences every phase in the process of decision-making (Haryadi, 2009). There are three Green Knowledge indicators that can be used to measure respondents' level of green knowledge. Those indicators of Knowledge according to Haryadi (2009) are stated below:

- 1. Environmental knowledge
- 2. Consumer awareness
- 3. Environmental regulation

Based on all of the explanations of the variables and the indicators that will be used in this research, a table was made to summarize all the information regarding that matter, as well as the question items per indicator that will be used to measure the variables. The summary of that information is stated in the table below:

**Table 3.2: Indicators and Question Items** 

Table 3.2: Indicators and Question Items					
Variable	Indicator	Items			
	Green Brand Image	<ol> <li>I am aware of Original Source's effort to care for the environment.</li> <li>I see several environmental labels and slogans on the Original Source brand.</li> <li>I recognize the meaning of the slogans and symbols about the environment that Original Source brand uses in marketing campaigns.</li> <li>I can remember a number of symbols about the environment used by the Original Source brand in marketing</li> </ol>			
Green	Green Satisfaction	<ul><li>campaigns.</li><li>5. Original Source brand is successful in the effort to care for the environment.</li></ul>			
Brand (Mourad and Ahmed (2012))	Green Trust	<ul> <li>6. I am happy to choose Original Source brand due to its commitment towards the environment.</li> <li>7. I believe that it is right to use Original Source brand in the effort to care for the environment.</li> <li>8. I am happy to be a consumer of Original Source brand because it is environmental-friendly.</li> </ul>			
		<ul><li>9. I feel that the environmental commitment in Original Source brand is very reliable.</li><li>10. The environmental efforts of Original</li></ul>			
	Green Brand Awareness	Source brand are in line with my expectations.  11. The brand Original Source keeps its promise and commitment to protect the environment.			
Green Product Purchase Decision	Decision about the type of product	<ul><li>12. I feel that Original Source products are in line with my wants and needs.</li><li>13. I feel that the quality of Original Source product is better than other</li></ul>			
(Simamora (2002) in Azmi	Decision about the form of product	brand of its kind.  14. Original Source has varieties of product that are in line with my taste.			
(2016))	Decision about the brand	15. I bought Original Source product because they do not test on animals.			

		16. I bought the Original Source product
		because it reflects its users as if they
		like environmentally friendly
		products.
		17. I bought Original Source products
	Decision about the seller	because it was easy to find and
		approachable.
		18. I understand about environmentally-
	Environmental knowledge	friendly product and environmental
Green		protection issues.
Knowledge	C	19. I have the awareness to use
(Haryadi, 2009)	Consumer awareness	environmentally-friendly products.
	Environmental recordation	20. I understand about the environmental
	Environmental regulation	regulation.

#### 3.6 Research Instrument Test and Pilot Test

In order to find out that the data obtained from the questionnaire to be valid and reliable, it was necessary to conduct reliability and validity test of the questionnaire towards each question item. Based on the data, a valid and reliable result is expected (Sugiyono, 2008 in Rumpoko, 2016). The validity and reliability test is conducted with the data from the first 30 participants. This amount of participants for the test is based on the statement by Hill (1998) who suggested 10 to 30 participants for the pilot test in survey research.

# 3.6.1 Validity Test

Validity test is the test to show how far an indicator is able to measure what was intended to be measured. A questionnaire can be admitted as valid if the question items are able to explain the matter that is going to be measured by that questionnaire (Zikmund *et al.*, 2017). The test can be done by seeing the Correlated Item-Total Correlation with the criterion as below:

- 1. If the r coefficient is higher than r table and it is positive (within the 5% significance range or 0.05), then the question item is valid, and vice versa (Ghozali, 2016).
- 2. If the r coefficient is higher than 0.3 and it is positive, the factor is a strong construct and have a good validity construction (Sugiyono, 2017).

This validity test will be conducted using the help of the computer program SPSS.

# 3.6.2 Reliability Test

Reliability test is the measurement of the consistency of research instrument. It is the degree to which measures are random error and therefore result in consistent results. An instrument is seen as reliable if the measuring tool shows a consistent result. That way, the instrument can be used securely because it works within different time and condition (Zikmund *et al.*, 2017). In this research, the reliability test is conducted using the *Cronbach Alpha* coefficient. An instrument is seen reliable if its *Cronbach Alpha* is larger than 0.6 (Ghozali, 2016). This reliability test is conducted using the help of the computer program SPSS.

#### 3.7 Classical Assumption Test

Classical assumption test is a test to identify the qualification of regression equation whether if it has fulfilled the classic assumptions which are the normality, multicollinearity, and heteroskedasticity test.

According to Ghozali (2016), normality test is used to test whether if the confounding variable has a normal distribution. Data that is normally distributed

will minimize the bias possibility. The simplest diagnostic test for normality is a visual check of the histogram that compares the observed data values with a distribution approximating the normal distribution. However, according to Hair *et al.* (2014), a more reliable approach is the normal probability plot, which compares the cumulative distribution of actual data values with the cumulative distribution of a normal distribution. If a distribution is normal, the line representing the actual data distribution closely follows the diagonal. Normality test can also be done by comparing the Kolmogorov - Smirnov probability value at 0.05 (5%). If the coefficient value probability;  $\alpha > 0.05$  then there is a normal distribution, and vice versa (Ghozali, 2016).

Multicollinearity test is used to identify the relationship between two or more independent variables. If there is a strong relationship between each variable, then there will be a multicollinearity problem. A good regression model should not consist of any correlation between the independent variables (Hair *et al.*, 2014). The way to know whether or not the multicollinearity exists can be seen from the *Tolerance Value* or *Variance Inflation Factor (VIF)*. Regression model shows multicollinearity if the tolerance value < 0.10, or VIF value > 10.

Heteroskedasticity test is used to identify whether if the variance of error terms over the independent variables value range is unequal. If the variance of error term from one observation to another remains the same, then homoskedasticity exists. However, if the residual variant size varies from one observation to another, it is called heteroskedasticity. A good regression model is one in which heteroskedasticity do not occur (Hair *et al.*, 2014). The way to test the heteroskedasticity is by looking at the graphic plot between predicted

dependent values which is ZPRED with residual SRESID. The bases of the analysis are stated below:

- If there is any specific pattern, such as specifically patterned dots, then heteroskedasticity occurs.
- ii. If there is no clear pattern, and the dots are spread out above and below Y axis, then heteroskedasticity does not occur.

The classical assumption test will be conducted using a computer program SPSS.

# 3.8 Data Analysis

This research is trying to describe the consumer of Original Source products. The data from the questionnaire for every question item will be added up with another question item in the same variable. Like so, the value of every researched variable will be known. After the data is gathered, there will be several editing processes as needed and followed by the data processing activity will be computerized. Graphic analysis and tables will be used in order to better describe the consumer of Original Source. Furthermore, analysis with associative relationship model between the variable Y (Green Product Purchase Decision) and variable  $X_1$  (Green Brand) and variable  $X_2$  (Green Knowledge) as the variable that moderates variable  $X_1$  and Y will be done.

#### 3.8.1 Multiple Linear Regression Analysis

Regression Analysis technique is implied in order to test the hypothesis made in this research. A hypothesis is a logical estimation of relationship between two or more variables that are stated in a form of a statement that can be scientifically tested, to be seen as a temporary answer towards a research question. Testing the hypothesis is the process of making a decision of whether to support or reject the arranged hypothesis.

Multiple Linear Regression analysis is used because the research consists of three or more variables and this research is examining the dependence relationships between variables (Zikmund *et al.*, 2017). In this case, the process will not be free of any error. In this research, the researcher will use the significance alpha of 5%. Meaning, the researcher's decision to support or reject the hypothesis has the error probability of error as big as five percent.

There are two models of regression that are used in this research. **Firstly**, the associative relationship between variable Y (Green Product Purchase Decision) and variable  $X_1$  (Green Brand) and  $X_2$  (Green Knowledge) is pictured in a simple regression equation as below:

$$Y = a + b_1 X1 + b_2 X2 \dots$$
 (Model 1)

Information:

Y = Green Product Purchase Decision (dependent variable)

X1 = Green Brand (independent variable)

X2 = Green Knowledge (independent variable)

The **second** model is used to identify whether if the variable of Green Knowledge is the moderating factor that strengthens the Green Product Purchase Decision of Original Source products. The regression model is written as follow:

$$Y = a + b_1 X1 + b_2 X2 + e + b_3 (X1 * X2) \dots (Model 2)$$

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#### Information:

Y = Green Product Purchase Decision (dependent variable)

X1 = Green Brand (independent variable)

X2 = Green Knowledge (moderating variable)

The second model is referring to the opinion that the testing of moderating effects and main effects can be done using two ways (Hair *et al.*, 2014):

- 1. The moderating effect is seen from the change in  ${\bf R}^2$  of regression equation.
- 2. The moderating effect can also be seen from the comparison of the original (unmoderated) equation with the moderated relationship (original equation plus moderator variable).

# 3.8.2 Coefficient of Determination (R<sup>2</sup>)

According to Zikmund *et al* (2017), the point of the coefficient of determination (R<sup>2</sup>) is to measure the proportion of variance in dependent variable that is explained by independent variable. The small R<sup>2</sup> value means the ability of independent variables in explaining the dependent variable variation is very limited and vice versa, if the value of R2 is closer to one, means the independent variables give almost all the information needed to predict the dependent variable variation.

#### 3.8.3 Goodness of Fit Test (F Test)

The goodness of fit test can be used to see the fitness of the model, which is done to test the accuracy of sample regression function in estimating actual value. Statistically, the goodness of fit test can be

conducted through the F statistic value measurement (Hair *et al.*, 2014). The F statistic can tell us whether the independent variable acting together can explain the variation in the dependent variable (Zikmund *et al*, 2017). Statistic value can be seen based on the comparison result of F value of ANOVA table in regression test as well as F table in table F.

#### 3.8.4 Hypothesis Test (T test)

Hypothesis test (t test) is conducted to know whether if each independent variable has a partially significant influence towards the dependent variable by looking at the probability value at  $\alpha$  level = 0.05 and also to find out the independent variable that has the dominant influence towards the dependent variable (Zikmund *et al*, 2017). Before conducting t test, the hypothesis is determined:

- a.  $H_0 = \beta_1 = 0$  means there are no positive influence from each independent variable partially;
- b.  $H_0=\beta_1\neq 0$  means there is a positive influence from each independent variable towards the dependent variable partially. The criterion of decision making is as such:

If the  $t_{count}$ >  $t_{table} = H_0$  rejected and  $H_1$  is accepted, means that there are significant influence from each independent variable towards the dependent variable partially.

If the  $t_{count}$ <  $t_{table} = H_0$  accepted and  $H_1$  is rejected, means that there are no significant influence from each independent variable towards the dependent variable partially.

#### **CHAPTER IV**

#### FINDING AND DISCUSSION

# 4.1 General Description of the Research Object

Original Source is a personal care brand. In September 2002, PZ Cussons, its parent company, acquired the quirky brand Original Source from Health & Beauty Solutions. Original Source started out as a range of shampoo with mint scent using pure essential oils at high levels. That ingredient will make the scalp tingle and invigorate the senses. Original Source is chosen as the object of this research due to its availability and affordability. This brand is available to be bought in various pharmacists and convenience stores in Indonesia. Compared to other green brands such as The Body Shop, Original Source is lower in the price range and therefore is a lot more affordable. It can be assumed theoretically that this brand is accessible to more people compared to other green brands.

Since the mid-1990s, the range has expanded into bath and shower products, body sprays, men's shaving products and skincare, all of which rely on pure essential oils for a mood-enhancing experience. Original Source fills a gap within PZ Cussons' portfolio of personal care brands due to its premium mass positioning and innovative approach to product development. As quoted from Original Source UK website (2019), Original Source describes the brand as such:

"We are the first one up in the morning, raring to go, constantly exploring new and exciting ways to capture all the potency nature has to offer. Every bottle is packed with the intense power of nature to give you a sensorial hit. Original Source is made with natural plant extracts and authentic fragrances found from all aspects of nature. We believe in respecting the world we live in and that we should live in it loudly and proudly. We innovate, we invigorate." (Original Source UK, 2019)

Original Source product ranges include bath, shower, scrubs, hand wash and men's products. Their product is well-known for it being intensely natural and youthful campaign. The products are packed with natural stuff, contains either pure and natural essential oils or extracts from different parts of plants; roots, leaves, trees, stems, flowers, fruit peels, etc. They also have several other claims; vegan, recyclable packaging, and cruelty-free. Original Source in the UK constantly launch seasonal variant of their product whilst in Indonesia and several other countries, they do not have seasonal variant. That is mainly because Indonesia does not have many seasons.

**Picture 4.1: Original Source Back Packaging** 



Source: Poorva, 2012; Gupta, 2013

**Picture 4.2: Original Source Products** 



Source: PZ Cussons, 2017

After Original Source was acquired by its now parent company, PZ Cussons, it is currently available in United Kingdom, Australia, New Zealand, and Poland. Today, Original Source products in Indonesia can be found in so many supermarkets, convenience store or even pharmacy. The stores that have the authorization to distribute and officially sell Original Source products in Indonesia are Hypermart, Guardian, Hero, Carrefour, Indomaret, Indomaret Fresh, Superindo, Watsons, Century, Giant, JD.id, Lawson Station, Lotte Mart, Transmart, and Toserba Yogya.

Within the UK, examples of introductions from Original Source include a cooling men's skin care line based on tea tree and mint. Tea Tree & Mint facial scrub contains spherical balls in a creamy formulation which are said to be more gentle on the skin than crushed kernels. Aftershave moisturizing skin food is nongreasy and easily absorbed, and the antiseptic properties of tea tree make it ideal for blemishes and ingrown hairs. The Original Source bath foam line also contains natural floral fragrances: Rose & Geranium foam bath, which is said to tone and soften the skin while uplifting the spirits and Ylang Ylang & Patchouli claims to de-stress, de-blemish and boost confidence (The Free Library, 2014).

# **4.2** The Characteristics of Respondents

The characteristic of the respondent is used to find out the variety of respondents based on their gender, age, latest education, occupation, income and reason for buying green product. These characteristics are hoped to be able to give a clear picture of the condition of respondents and the relation it has with the problem and purpose of this research.

#### 4.2.1 Based on Gender

The variety of respondents based on gender can be shown in the table below:

Table 4.1: Table of Respondent's Gender

Gender	Amount	Percentage
Female	124	82.7%
Male	26	17.3%
Total	150	100%

Source: processed primary data (2019)

From the table above, the majority of the respondent is female, with the percentage of 82.7% and the rest is male respondents, with the percentage of 17.3%. This can due to female's concern to take care of their body that is higher than male, and their concern to choose their personal care products more carefully that is higher than male. This is supported by the statement in the article by Laksono and Purwanegara (2014) that the hedonistic consumption of personal care tends to form a more significant part of female rather than male consumer identity.

# 4.2.2 Based on Age

The variety of respondents based on age can be shown in the table below:

Table 4.2: Table of Respondent's Age

Age	Amount	Percentage
17-21	102	68%
22-26	45	30%
27-31	3	2%
Total	150	100%

Source: processed primary data (2019)

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From the table above, the majority of the respondents are respondents within the age range of 17 up to 21 years old with the percentage of 68%, followed respondents within the age range of 22 up to 26 years old with the percentage of 30%. The rest are respondents within the age range of 27 up to 31 years old. This is because the questionnaire was spread out within the campuses and emerging communities in which the members are young people within that age range.

Jumping into another side, some reports have stated that one generation stands out when it comes to buying or using green products. This generation is millennial generation. Millennial is a group of generation of people who were born from the year 1981 to the year 2000 (Shullman, 2016). According to a report by Nielsen (2015) called Global Corporate Sustainability Report, 73% of millennial worldwide are willing to pay more for sustainable products. The report also found that millennial is more aware of environmental issues. This could explain why most of the respondents are within the millennial generation age group.

#### 4.2.3 Based on Latest Education

There are two latest education options within the questionnaire. The first one is High School and the second is Bachelor/Diploma/Undergraduate. The variety of respondents based on the latest education can be showed in the table below:

**Table 4.3: Table of Respondent's Latest Education** 

Latest Education	Amount	Percentage
High School	108	72%
Bachelor/Diploma/Undergraduate	42	28%
Total	150	100%

Source: processed primary data (2019)

From the table above, the majority of respondent latest education is high school with the percentage of 72% and the rest are respondent whose latest educations are bachelor/diploma/undergraduate with the percentage of 28%. That being said, high school is the dominating latest education. This is based on the fact that the questionnaire was spread out within the campuses and emerging communities in which the members are young people within that latest education and within the millennial generation as well.

#### **4.2.4** Based on Occupation

The variety of respondent occupation is shown in the table below:

**Table 4.4: Table of Respondent's Occupation** 

Occupation	Amount	Percentage
Student	134	89.3%
State Employee/TNI/POLRI	1	0.7%
Private Employee/BUMN	8	5.3%
Entrepreneur	4	2.7%
Housewife	3	2%
Total	150	100%

Source: processed primary data (2019)

From the table above, the most occupation of the respondent is student, with a percentage of 89.3% followed by private employee/BUMN employee with a percentage of 5.3%. Next are

entrepreneur, 3 other occupations and 1 state employee/TNI/POLRI respectively with a percentage of 2.7%, 2%, and 0.7%. This is based on the fact that the questionnaire was spread out within the campuses and emerging communities in which the members are young people who are mostly still students. Other than that, this can also be explained by the fact that Malang city is considered an 'education city' due to a lot of educational institutions operating within.

#### 4.2.5 Based on Income

The variety of respondents based on the occupation can be shown in the table below:

**Table 4.5: Table of Respondent's Income** 

Income	Amount	Percentage
< Rp 1.500.000,00	74	49.3%
> Rp 1.500.000,00 - Rp 3.000.000,00	44	29.3%
> Rp 3.000.000,00 - Rp 4.500.000,00	15	10%
> Rp 4.500.000,00 - Rp 6.000.000,00	10	6.7%
> Rp 6.000.000,00	7	4.7%
Total	150	100%

Source: processed primary data (2019)

From the table above, 49.3% of the respondents are people with the income of less than Rp 1.500.000,00 per month. This income group has the most respondents. The second largest group of income is people with the income range of > Rp 1.500.000,00 up to Rp 3.000.000,00 per month consisted of 29.3% of the respondents. The income range that has the least respondent is the income group of more than Rp 6.000.000,00 per month. This is based on the fact that the questionnaire was spread out within the campuses and emerging

communities in which the members are young people whose occupation are mostly students with the income and/or allowance for less than Rp 1.500.000,00 per month.

### 4.2.6 Based on the Reason of Buying Green Product

The variety of respondents based on the reason for buying green product can be shown in the table below:

Table 4.6: Table of Respondent's Reason of Buying Green Product

Reason of Buying	Amount	Percentage
Supporting environmental protection and drive for environmental responsibility.	71	47.3%
Green product experience.	29	19.3%
Environment friendliness of the company	2	1.3%
Social appeal and influence.	43	28.8%
Other (Product packaging and scent)	5	3.3%
Total	150	100%

Source: processed primary data (2019)

From the table above, the most reason the respondent bought green product is due to their support of the environmental protection and their drive for environmental responsibility with 47.3% of the respondents choosing this reason. Then, followed by the 'social appeal and influence' with a percentage of 28.8%. The reason that has the least respondent is the 'environment friendliness of company' with only 1.3% of the respondents.

The reason that the most respondent reason of buying green product is supporting environmental protection and drive for environmental responsibility is that one of the main marketing materials of a green product is about how they protect the environment and how it is a responsibility for them. Thus, the consumer who bought the product probably has the view that matches those product claims.

# **4.3 Description of the Researched Variables**

#### **4.3.1 Descriptive Analysis**

Based on the questionnaire that has been filled by 150 respondents, the majority of answer on each item can be identified through the equation below:

Class interval (c) = 
$$(X_n - X_l) : k$$

Information:

C = class interval

 $X_n$  = highest score

 $X_1$  = lowest score

k = number of classes

(c) = (5-1): 5 = 4: 5 = 0.8

**Table 4.7: Interpretation of Average Score** 

Average Interval	Information
1.0 - 1.79	Very Bad
1.8 - 2.59	Bad
2.6 - 3.39	Neutral
3.4 – 4.19	Good
4.2 - 5.00	Very Good

# **4.3.2** Frequency Distribution of Green Brand (X1)

In Green Brand variable, there are eleven question items that were asked to respondents to be answered. Respondent answers can be seen in the table below:

**Table 4.8: Frequency Distribution of Green Brand (X1)** 

Tuble 40. Frequency Dist		Respon			/	
Item	5	4	3	2	1	Mean
	%	%	%	%	%	
<b>GB 1.1:</b> I am aware of Original Source's effort to care for the environment.	25.3	58.7	14.7	1.3	0	4.08
<b>GB 1.2:</b> I see several environmental labels and slogans on the Original Source brand.	28.7	56	13.3	2	0	4.11
<b>GB 1.3:</b> I recognize the meaning of the slogans and symbols about the environment that Original Source brand uses in marketing campaigns.	15.3	48	26	10.7	0	3.68
<b>GB 1.4:</b> I can remember a number of symbols about the environment used by the Original Source brand in marketing campaigns.		44.7	24.7	11.3	7	3.69
<b>GB 2.1:</b> Original Source brand is successful in the effort to care for the environment.		38.7	46	2.7	0	3.61
<b>GB 3.1:</b> I was happy to choose Original Source brand due to its commitment towards the environment.		50	28	2.7	0	3.86
GB 3.2: I believe that it is right to use Original Source brand in the effort to care for the environment.		54	26	2.7	0	3.86
<b>GB 3.3:</b> I am happy to be a consumer of Original Source brand because it is environmental-friendly.		58	20.7	0	0	4.01
<b>GB 4.1:</b> I feel that the environmental commitment in Original Source brand is very reliable.		39.3	39.3	3.3	0	3.72
<b>GB 4.2:</b> The environmental efforts of Original Source brand are in line with my expectations.		42.7	43.3	2	0	3.65
<b>GB 4.3:</b> The brand Original Source keeps its promise and commitment to protect the environment.		39.3	50.7	0	0	3.59
Mean	18.05	48.13	30.25	3.52	0.64	3.81

Source: processed primary data (2019)

The Green Brand perception of Original Source perceived by consumers in Malang is already good. This can be explained based on the whole statements in the Green Brand variable; the option 'agree' were chosen the most with the average percentage of 48.13% although the option 'neutral' were also highly chosen by respondents with the average percentage of 30.25%. Next, based on respondent scoring towards the Green Brand variable, it is found that item with the lowest average score is

item GB 4.3 which is the claims and promises of environmental protection given and stated by Original Source is enough with the average score of 3.59, whilst the item with the highest average score is GB 1.2 which is the eco-label and slogan on Original Source product is clearly seen by the respondents with the average score of 4.11. Then, the average score of overall scoring is 3.81. That score shows that the variable Green Brand is included in the good category.

Items with low average score create an improvement room for Original Source. Item GB 4.3 which is the commitments and promises of environmental protection is averagely scored the lowest by the respondents. The second item with the lowest average score is GB 2.1 which is Original Source's effort to care for the environment. Based on those two items with the lowest average score, Original Source can try to increase their effort in keeping their environmental commitments and promises, as well as showing more effort to care for the environment through the relevant ways.

#### 4.3.3 Frequency Distribution of Green Knowledge (X2)

Within the Green Knowledge variable, there are three question items that were asked to the respondents. Respondent answer varies from strongly agree to disagree, there are several explanations regarding the mean score as well as the highest scored and lowest scored item. All the information is summarized within the frequency distribution table of Green Knowledge table below:

**Table 4.9: Frequency Distribution of Green Knowledge (X2)** 

Item		Respondent Answer				
		4	3	2	1	Mean
	%	%	%	%	%	Mean
<b>GK 1:</b> I understand about environmentally-friendly product and environmental protection issues.	24	52.7	20.7	2.7	0	3.98
<b>GK 2:</b> I have the awareness to use environmentally-friendly products.	35.3	53.3	10	1.3	0	4.23
<b>GK 3:</b> I understand about the environmental regulation.	16	54	27.3	2.7	0	3.83
Mean	25.65	53.33	19.33	2.23	0	4.01

Source: processed primary data (2019)

The Green Knowledge of Original Source consumer in Malang is already good. This can be explained based on the whole statements in the Green Knowledge variable; the option 'agree' was chosen the most with the average percentage of 53.33%, followed by the option 'strongly agree' with the average percentage of 25.65%. As for the option 'strongly disagree', it was not chosen by any of the respondents on any items. Next, based on respondent scoring towards the Green Knowledge variable, it is found that item with the lowest score is item GK 3 which is respondent knowledge of environmental regulation with the average score of 3.83, whilst the item with the highest score is GK 2 which is the awareness of respondents to use eco-friendly or environmentally friendly product with the average score of 4.23. Then, the average score of the variable is 4.01. That score shows that the variable Green Knowledge is included in the good category.

Items with low average score create an improvement room for Original Source. Item GK 3 which is respondent knowledge of environmental regulation is averagely scored the lowest by the respondents. Based on the item with the lowest average score, if Original

Source would like to increase consumer environmental regulation knowledge, they can educate the consumers through relevant ways.

#### **4.3.4** Frequency Distribution of Green Product Purchase Decision (Y)

In the Green Product Purchase Decision variable, there are six question items that were asked to respondents to be answered. Respondent answers can be seen in the table below:

**Table 4.10: Frequency Distribution of Green Product Purchase Decision (Y)** 

	Respondent Answer					
Item	5	4	3	2	1	Moon
	%	%	%	%	%	Mean
<b>GPPD 1.1:</b> I feel that Original Source products are in line with my wants and needs.		58.7	17.3	2.7	0	3.99
GPPD 1.2: I feel that the quality of Original Source product is better than other brand of its kind.		44.7	30.7	4.7	0	3.80
<b>GPPD 2:</b> Original Source has varieties of product that are in line with my taste.		50.7	10.7	2	1.3	4.17
GPPD 3.1: I bought Original Source product because they do not test on animals.		43.3	24	3.3	0	3.99
GPPD 3.2: I bought the Original Source product because it reflects its users as if they like environmentally friendly products.		50	26.7	5.3	0	3.81
<b>GPPD 4:</b> I bought Original Source products because it was easy to find and approachable.		46	18.7	4	7	4.02
Mean		48.90	21.35	3.67	1.38	3.96

Source: processed primary data (2019)

The Green Product Purchase Decision of Original Source consumer in Malang is good. This can be explained from the whole statements in the Green Product Purchase Decision variable; the option 'agree' was chosen the most with the average percentage of 48.90%, then followed by the option 'strongly agree' with the average percentage of 25.77%. Although most of the respondent answers lie within the 'strongly agree' to 'agree', the 'neutral' option percentage was also in with the 'agree' option which is 21.35%. Based on respondent scoring towards the Green Product Purchase

Decision variable, it is found that item with the lowest score is item GPPD 1.2 which is respondent feeling about the quality of Original Source being better than any other environmentally-friendly personal care product with the average score 3.80, whilst the item with the highest score is GPPD 2 which is the fact that Original Source offers many variants that match respondent preference with the average score of 4.17. Then, the average score of overall scoring is 3.96. That score shows that the variable Green Product Purchase Decision is included in the good category.

Items with low average score create an improvement room for Original Source. Item GPPD 1.2 which is respondent's feeling about the quality of Original Source being better than any other environmentally-friendly personal care product is averagely scored the lowest by the respondents. Based on the item with the lowest average score, Original Source can improve its product quality through relevant ways.

#### **4.4 Research Instrument Test**

Questionnaire within this research is used as the instrument. A good data gathering instrument must be both valid and reliable.

#### **4.4.1 Validity Test**

Validity test is very important, especially on those that use questionnaire in order to gather the data. Validity test is meant to identify the validity regarding the understanding between the concept and empirical reality. Validity test is a measurement that shows the level of validity of an instrument. An instrument is stated valid only if it is able to measure what is about to be measured or is able to reveal data from the

researched variable properly. The high or low validity of an instrument shows how far the gathered data does not deviate from the description of the intended variable.

Validity test can be done by correlating each factor or variable with that total factor or variable by using correlation (r) product moment.

Validity test which conducted through a computer program SPSS ver. 23.0 by using product moment correlation results in value for each item with overall score. More details are presented in the table below:

Table 4.11: Validity Test Result

Item	r coefficient	Sig.	Information
GB1.1	0.646	0.000	Valid
GB1.2	0.703	0.000	Valid
GB1.3	0.739	0.000	Valid
GB1.4	0.775	0.000	Valid
GB2	0.753	0.000	Valid
GB3.1	0.737	0.000	Valid
GB3.2	0.708	0.000	Valid
GB3.3	0.732	0.000	Valid
GB4.1	0.782	0.000	Valid
GB4.2	0.781	0.000	Valid
GB4.3	0.718	0.000	Valid
GK1	0.836	0.000	Valid
GK2	0.793	0.000	Valid
GK3	0.798	0.000	Valid
GPPD1.1	0.651	0.000	Valid
GPPD1.2	0.604	0.000	Valid
GPPD2	0.619	0.000	Valid
GPPD3.1	0.540	0.000	Valid
GPPD3.2	0.672	0.000	Valid
GPPD3.3	0.558	0.000	Valid

Source: processed primary data (2019)

From the table above can be seen that sig. r value of questionnaire items are lower than 0.05 ( $\alpha = 0.05$ ). The r coefficient of each item is also higher

than the r table of 1.603 for df 148 (n-2; 150-2) with the significance level 0.05. The r coefficient of each item is also higher than 0.3 and are positive. So, it can be concluded that those items can be used to measure the research variables.

#### 4.4.2 Reliability Test

Reliability test shows the level of stability, constancy, and accuracy of a measuring instrument that is used to know how far the measurement is relatively consistent when a repeat measurement is conducted. This test is used to know how far someone's answer is consistent or stable from time to time.

Reliability test technique is done by using the alpha reliability coefficient value. The decision criterion is if the alpha reliability coefficient value is higher than 0.6 then that variable is reliable.

**Table 4.12: Reliability Test Result** 

No.	Variable	Reliability Coefficient	Information
1	X1	0.913	Reliable
2	X2	0.736	Reliable
3	Y	0.653	Reliable

Source: processed primary data (2019)

From the table above, it is known that the alpha Cronbach value for all variables is higher than 0.6. From the provision that has been stated before, all the variables used for this research are reliable.

#### **4.5 Classical Regression Assumptions**

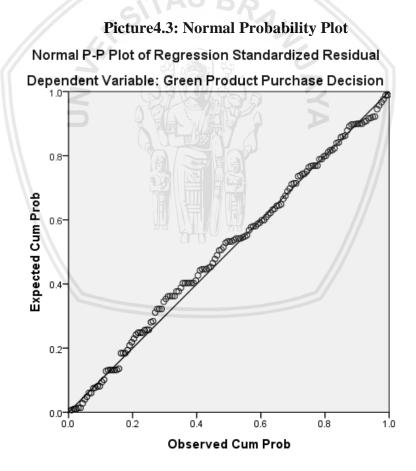
The classical assumptions test must be done to fulfill the use of multiple linear regressions. After the multiple regression calculation is conducted through

SPSS for Windows, the classical assumptions tests are conducted. The results are shown below:

#### **4.5.1 Normality Test**

This test is conducted to know whether or not if the residual value is distributed normally. The procedure is done with the Kolmogorov-Smirnov test and seen from the normal probability plot. If the **sig.** (p-value) >0.05 and the data distribution line is close to the diagonal line, then  $H_0$  is accepted which means normality is fulfilled.

The normality test result can be seen in the table below:



Source: processed primary data (2019)

Table 4.13: One-Sample Kolmogorov-Smirnov Test

		Unstandardized
		Residual
N		150
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std.	2.27140490
	Deviation	2.2/140490
Most Extreme	Absolute	.053
Differences	Positive	.036
	Negative	053
Test Statistic		.053
Asymp. Sig. (2-tailed)		.200 <sup>c,d</sup>

Source: processed primary data (2019)

The normal probability plot shows that the line representing the actual data distribution closely follows the diagonal and from the calculation result, the sig. is as big as 0.200 as or higher than 0.05;  $H_0$  is accepted and normality assumption is fulfilled.

#### **4.5.2** Multicollinearity Test

Multicollinearity test is done to find out that there is no strong relation or no perfect linear relation or can be said that there is no relation between independent variables. The test is done by comparing the Tolerance value from the multiple regression analysis, if the tolerance value > 0.1, there is no multicollinearity. The result of multicollinearity test can be seen in the table below:

**Table 4.14: Multicollinearity Test Result** 

Indonondont	Collinearity			
Independent Variables	Statistics			
	Tolerance	VIF		
X1	0.667	1.476		
X2	0.667	1.476		

Source: Processed primary data (2019)

Based on the table above, below is the test result of each independent variable:

- Tolerance for *Green Brand* is 0.667
- Tolerance for *Green Knowledge* is 0.667

The test result shows that the overall tolerance value > 0.1. Therefore it can be concluded that there is no multicollinearity between independent variables.

Multicollinearity test can also be done by comparing the VIF (Variance Inflation Factor) value with 10. If VIF value > 10 then multicollinearity happens. Below is the test result of each independent variable:

- VIF for Green Brandis1.476
- VIF for *Green Knowledge* is 1.476

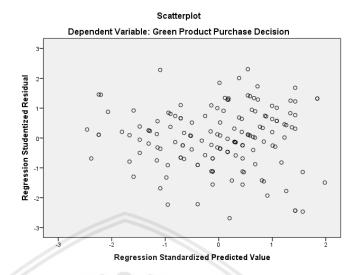
From the test results above, it can be concluded that multicollinearity did not happen between independent variables. That being said, the assumption of there is no multicollinearity is fulfilled.

#### 4.5.3 Heteroskedasticity Test

Heteroscedasticity test is used to find out whether there is an inequality of residual deviation due to the size of the value of one of the independent variables, or if there is a difference in the value of variance with the increasing value of the independent variable. The test procedure is carried out by testing scatter plots.

The heteroskedasticity test can be seen through the Picture below:

Picture 4.4: Scatterplot



Source: Processed primary data (2019)

Based on the test result, it is found that the view in the *scatterplot* diagram is spreading out and does not create any certain pattern. Therefore, heteroskedasticity did not occur. It can be concluded that residue has a homogenous range (constant) or in another word, there are no heteroskedasticity symptoms.

That being said, all the classical assumptions of regression above has been fulfilled and along with that, it can be concluded that the multiple linear regression model used in this research is fit and the interpretation from the multiple regression analysis can be taken into account.

#### 4.6 Analysis of Multiple Linear Regression

This regression analysis is used to count the magnitude of influence between independent variables which are *Green Brand*  $(X_1)$ , *Green Brand\*Green Knowledge*  $(X_1X_2)$  towards the dependent variable which is *Green Product Purchase Decision* (Y).

#### **4.6.1 Regression Equations**

The regression equation is used to know the form of the relationship between the independent variable and the dependent variable. By using the help of SPSS for Windows ver. 23.00, the model regression as below was obtained:

**Table 4.15: Regression Equation Table** 

Independent Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	В	Std. Error	Beta		
(Constant)	-12.913	9.344		-1.382	.169
Green Brand (X1)	.803	.234	1.678	3.432	.001
Green Knowledge (X2)	2.207	.744	1.324	2.967	.004
X1X2	046	.018	-2.080	-2.540	.012

Source: processed primary data (2019)

Based on the table above, the regression equation as below was obtained:

$$Y = 1.678 X_1 + 1.324 X_2 - 2.540 X_1 X_2$$

The interpretation uses the standardized data termed beta  $(\beta)$  coefficient instead of the unstandardized coefficient is due to the use of attitude scale in order to interpret perception, which coefficients are frequently difficult to compare. The variation in response scale and variability across variables makes direct interpretation problematic. Thus, the use of standardized coefficient is to eliminate the problem of dealing with different units of measurement and thus reflect the relative impact on the dependent variable of a change in one standard deviation in either variable. It can be said that the standardized coefficient is less affected by

the scales of measurement. Based on that common unit of measurement, we can determine which variable has the most impact (Hair *et al.*, 2014; Kwan and Chan, 2011). The obtained regression equation can be interpreted as such:

- Green Product Purchase Decision will increase when X1 (*Green Brand*) is increased. In other word, the higher consumer green perception about a brand, the higher the purchase decision will be.
- Green Product Purchase Decision will increase when X2 (*Green Knowledge*) is increased. In other word, the higher consumer environmental knowledge, the higher the purchase decision will be.
- The relationship between Green Product Purchase Decision and X1 (*Green Brand*)will decrease when X1X2 (*Green Brand\*Green Knowledge*) is increased. So, *Green Brand\*Green Knowledge* weakens the relationship between Green brand and Green Product Purchase Decision. In other word, the higher consumer environmental knowledge, the lower the influence of consumer green perception about a brand towards the purchase decision.

#### **4.6.2** Coefficient of Determination (R<sup>2</sup>)

In order to find out the contributions of independent variables  $Green\ Brand\ (X_1),\ Green\ Knowledge\ (X_2) and\ Green\ Brand*Green$  *Knowledge* (X1X2) towards the dependent variable (Green Product Purchase Decision)  $R^2$  value is used, the  $R^2$  value is as in this table below:

**Table 4.16: Determination Coefficient** 

			Adjusted R
Model	R	R Square	Square
2	.618ª	.382	.370

Source: processed primary data (2019)

Coefficient of determination is used to count the amount of influence or contributions of independent variable towards the dependent variable. From the analysis in table 4.16, the result obtained is the number of *adjusted* R<sup>2</sup> (adjusted coefficient of determination) as big as 0,370. It means that 37% of the variable Green Product Purchase Decision will be influenced by its independent variables, which are *Green Brand* (X<sub>1</sub>), *Green Knowledge* (X<sub>2</sub>)and *Green Brand\*Green Knowledge* (X1X2) while the rest of it is 63%, the variable Green Product Purchase Decision will be influenced by other variables that are not discussed within this research.

Other than the coefficient of determination, there is also correlation coefficient that shows how big the relationship between independent variables which are *Green Brand*, *Green Knowledge*, and *Green Brand\*Green Knowledge* with the variable Green Product Purchase Decision. The value of R (correlation coefficient) is as big as 0.618, this correlation value shows that the relationship between independent variables which *Green Brand* (X<sub>1</sub>), *Green Knowledge* (X<sub>2</sub>), and *Green Brand\*Green Knowledge* (X1X2) with Green Product Purchase Decisionis

included in the strong category because it underlies within the range of 0.61 - 0.8 (Zikmund *et al.*, 2017).

#### 4.6.3 Goodness of Fit (F Test)

F test or model test is used to know whether or not if the result of the regression analysis is significant, in other words, whether or not if the expected model is fit. If the result is significant, then  $H_0$  is rejected and  $H_1$  is accepted, and if the result is not significant, then  $H_0$  is accepted and  $H_1$  is rejected. This matter can also be stated as such:

H<sub>0</sub>is rejected if F count> F table

H<sub>0</sub>is accepted if F count< F table

Table 4.17: F Test Result

		Sum of	小直门公	Mean		
	Model	Squares	df	Square	F	Sig.
2	Regression	476.101	3	158.700	30.141	.000 <sup>b</sup>
	Residual	768.733	146	5.265		
	Total	1244.833	149			

Source: primary data processed (2019)

Based on the table above, the value of F count is 30.141 while F table ( $\alpha=0.05$ ; df regression = 3; df residual = 146) is 2.666. Due to the fact that F count is higher than F table which is 30.141 > 2.666 or the value of sig. F (0.000)  $<\alpha=0.05$  then the regression analysis used is already fit/well.

#### **4.7HypothesisTest** (T-Test)

A hypothesis test is an important part of research after the data was gathered and processed. Its prime purpose is to answer the hypotheses made by the

researcher. The t-test is used to know whether if each independent variable partially has a significant impact on the dependent variable. It can also be stated if t count > t table or -t count < -t table, then the result is significant and means that  $H_0$  is rejected and  $H_1$  is accepted. However, if t count < t table or -t count > -t table, then the result is not significant and means that  $H_0$  is accepted and  $H_1$  is rejected. The result of t-test can be seen in the table below:

**Table 4.18: T-Test Result** 

Tuble 11101 I Tebt Reput							
(Constant)	-1.382	.169					
Green Brand (X1)	3.432	.001	Significant				
Green Knowledge (X2)	2.967	.004	Significant				
X1X2	-2.540	.012	Significant				

Source: processed primary data (2019)

#### a. Hypothesis Test I

H<sub>1</sub>: Green Brand positively impacts Green Product Purchase Decision.

T-test between X1 (Green Brand) with Y (Green Product Purchase Decision) shows t count = 3,432, while t table ( $\alpha$  = 0.05; df residual = 146) is as big as 1,976. Due to the fact that t count > t table which is 3.432 > 1.976 then the influence of X1 towards Y is significant. This means H<sub>0</sub> is rejected and H<sub>1</sub> is accepted. Based on the statistical test, it shows that *Green Brand* has positive and significant influence towards *Green Product Purchase Decision*.

#### b. Hypothesis Test II

H<sub>2</sub>: Green Knowledge positively impacts Green Product Purchase Decision.

T-test between X2 (Green Knowledge) with Y (Green Product Purchase Decision) shows that t count = 2.967, while t table ( $\alpha$  = 0.05; df residual = 146) is as big as 1,976. Due to the fact that t count > t table which is 2.967>1.976 then the influence of X2 towards Y is significant. This means H<sub>0</sub>is rejected and H<sub>1</sub>is accepted. Based on the statistical test, it shows that *Green Knowledge* has positive and significant influence towards *Green Product Purchase Decision*.

#### c. Hypothesis Test III

H<sub>3</sub>: Green Brand\*Green Knowledge can moderate the influence of Green Brand towards Green Product Purchase Decision.

T-test between X1X2 (Green Brand\*Green Knowledge) with Y (Green Product Purchase Decision) shows that t count = -2.540, while t table (α = 0.05; df residual = 146) is as big as 1.976. Due to the fact that – t count > -t table which is -2.540> -1.976, then the influence of X1X2 towards Y is significant. Based on the statistical test, it shows that *Green Brand\*Green Knowledge* has significant and negative influence towards *Green Product Purchase Decision*. Variable *Green Product Purchase Decision* that is significant is concluding that the variable is a moderating variable, specifically quasi moderating variable due to the fact that X2 and X3 (X1X2) are both significant.

Based on the overall result, it can be concluded that independent variables have significant influences on the dependent variable *green Product Purchase Decision*, both simultaneously and partially. From those tests, it can also be identified that from the three independent variables, the variable with the

dominant influence is *Green Brand* because it has the highest t count and beta coefficient value.

#### 4.8 Discussion of Research Result

The research result that has been done in this minor thesis has fulfilled the terms of multiple regression analysis. The instrument has been tested and is stated as valid and reliable, thus, can be continued with classical assumption tests which are made up of normality, multicollinearity, and heteroskedasticity tests. After that, it is followed by multiple regression analysis which is meant to identify the influence of independent variables towards the dependent variable. Lastly, the hypothesis test is done by conducting t-test.

Based on the tests that had been conducted, it is known that the presence of influence between Green Brand towards Green Product Purchase Decision along with Green Knowledge as the moderating variable does exist.

### 4.8.1The Influence of Green Brand towards Green Product Purchase Decision

Based on the hypothesis test, it is seen that the variable Green Brand has a positive and significant influence towards Green Product Purchase Decision and more significant than Green Knowledge. With the rise of many environmental issues, consumers are more aware of it and to buy the green product is one of the ways they can help sustain the environment. When a brand is perceived as a green brand, it stimulates the consumers to decide to buy the product. This can happen because the brand is the first trait of a product that is seen and perceived by consumers. The characteristic, benefit and specific service that is offered by a green

brand can stimulate the decision-making behavior. A consumer who intended not to buy a green product will eventually decide to buy a green product due to its outstanding characteristic. This explanation is supported by Braimah and Twendeboah-Koduah (2011) in their journal stating that when Green brand awareness is low the impact of green brand awareness on purchase decisions is even lower. This means that when the perception or awareness on green brand is high, the impact it has on the purchase decision will be higher.

Green brand image, satisfaction, trust, and awareness do influence the consumer purchase decision. Seen from the answer distribution in the green brand indicators, it is found that the item in Green Brand Image indicator has the highest score amongst others. It means that Original Source consumer in Malang agree that Original Source has a high green brand image perceived by them and is becoming one of the factors that influence their green product purchase decision. Within the Green Brand Image indicator, there are four images perceived by consumers such as the environmental effort by Original Source, environmental label and slogan on Original Source product packaging along with its meaning within the campaign, and environmental symbol used in the marketing campaign by Original Source. Respondents as the consumer do see the level of a green brand that is offered by Original Source really does play an important role in influencing their purchase decision.

### 4.8.2 The Influence of Green Knowledge towards Green Product Purchase Decision

Based on the hypothesis test, the result shows that Green Knowledge has positive and significant influence towards Green Product Purchase Decision. Overall Original Source consumer in Malang claimed that they have good environmental knowledge. They understand the current issue of environmental protection and environmental-friendly product, their awareness of using eco-friendly product and their understanding of environmental regulation is high as well. With this high level of awareness and understanding towards the environment, the tendency in deciding to purchasethe green product will be higher. A high level of environmental knowledge will emerge higher tendency of purchasing green product compared to the non-green product. This explanation is supported by Geyer-Allely and Zacarias-Farah (2003) who state that in order to facilitate green product purchase, consumers must receive reliable environmental issues that boosts their green knowledge

## 4.8.3 The Influence of Green Knowledge as the Moderating Variable towards the Relationship between Green Brand and Green Product Purchase Decision

Based on the hypothesis test, the result shows that the variable Green Knowledge acts as a quasi-moderator. Overall Original Source consumer in Malang claimed that they have good environmental knowledge. They understand about the current issue of environmental protection and environmental-friendly product and their awareness of

using eco-friendly product along with their understanding towards of environmental regulation is also high. However, the relationship indicates a negative influence. This means that the relationship between Green Brand and Green Product Purchase Decision decreases as Green Knowledge rises.

This could happen due to different knowledge that leads to different expectation. Each person's perception can be different and it creates different expectations. This is supported by Haryanto and Budiman (2014) that state each individual can have diverse connotations in perceiving green product. One possibility is that people with higher environmental knowledge will expect more from Original Source. They expect more of what has already been offered by Original Source as a green brand. They possibly perceive Original Source as a green brand. However, it is not green enough for their level of knowledge and preference that they would rather decide on buying another brand that is greener according to them; hence the weakening effect. Haryanto and Budiman (2014) also state that environmental knowledge negatively moderates the relationship between brand positioning and positive attitude towards green products. This means the higher the environmental knowledge of consumer, the impact of positioning a brand based on its ability to reduce negative impacts on the environment on the positive attitude towards green product will be lessened, which at the end, might have negative impact on the purchase decision.

#### **4.9 Research Implications**

Based on the conducted research, there are few things that can be implicated to the brand, as such:

- 1. The first finding shows that a high green perception of Original Source brand by the consumer will increase the purchase decision and it is an important variable. To add, the perception of Original Source being a green brand by the consumer is considered good. So, Original Source's effort in term of being a green brand is already on track. However, based on the data, Original Source is the least strong in the form of keeping its promise and commitment in protecting the environment. Due to that reason, building a Corporate Social Responsibility (CSR) is one of the ways that Original Source can be perceived as a top-notch green brand by consumer, especially consumers with higher environmental knowledge. Ghazzawi et al. (2016) explained that CSR will affect several aspects of consumer judgment and feelings towards socially responsible companies and will lead to alter their buying behavior through their buying decisions and willingness to pay premium prices.
- 2. Based on the second finding, a high environmental knowledge by the consumer will increase the purchase decision and is an important variable that influences purchase decision. To add, the mean score of the data shows that consumer environmental knowledge is considered good. This means Original Source's effort in selecting their market and potential consumer is already on track. Original Source can keep targeting consumers with high environmental knowledge. However, there is still

room for improvement. The data shows that consumer knowledge is the least strong in the "environmental regulation" term. One of the ways is to make sure the consumers are constantly exposed to the related information. This can be done by spreading awareness about environmental regulation and how Original Source products are complimenting the regulation through social media platforms. This is because social media marketing is one of the most effective marketing activities that commercially influences company (Statista, 2018a). When consumer environmental knowledge is constantly improved, the purchase decision will increase.

3. The third finding shows that as a moderating variable, consumer high environmental knowledge decreases the effect of green perception of Original Source towards the purchase decision. Both environmental knowledge and green brand are important in influencing purchase decision and both variables are considered good, seen from their mean scores. However, in this case, it can be assumed that environmentally concerned consumer has their own expectation of how a green brand should be according to them. As consumer environmental knowledge is already high and it is impossible to decrease it, Original Source must be able to know the exact product expectation from environmentally educated consumers. They can conduct research that enables it to obtain real and deep insights from consumers which then can be converted into product improvements. Other than that, based on the finding, consumer purchase decision of Original Source is already considered good. However, the quality of

Original Source is the least strong point of deciding the purchase. This is why the Research and Development (R&D) division of Original Source must uplift their quality in terms of being a green brand and uplift their quality in order to stand out from its competitors. There are two ways of uplifting product quality of a green product:

- a. To use and highlight certain ingredients or obtaining eco-labels: using a certain ingredient that is widely-known for a specific purpose that brings certain benefit to the body or obtaining eco-label. As the time goes and knowledge passes in ease, today there are many brands that labeled their product as a product free of ingredients that are considered harmful such as SLS Free, Talc Free, Paraben-Free, etc.
- b. Packaging improvement: for the consumer with higher environmental knowledge, product packaging is not only about the visual, but also about its utilitarian value. The packaging is used to contain a product, at the time when the product is finished; the packaging should be gone too. Original Source still uses plastic for its packaging (although recyclable) and still has no refill station while plastic waste is one of the most popular environmental issues across the globe. To overcome this and increase the purchase decision of consumer with higher knowledge, Original Source can develop their packaging not only in the visual form, but in the physical form as well, such as developing a compostable

packaging, or designing it the way that it become a less waste packaging.

If Original Source can claim their products as such, it is possible that the purchase decision of consumer with higher knowledge will increase as Original Source meets their standard of a green product as according to Rubik *et al.* (2008) who states that some evidence showed the increase in purchase decision and sales when an eco-label is obtained.

#### **4.10 Research Limitations**

This research is far for perfect and there are several limitations that the researcher experienced, such as:

- 1. The primary data gathering is conducted by only using questionnaire, hence the possibility of limited data. Interview method can be added to obtain deeper insights from the consumers.
- 2. The questionnaire was spread out online using Google Form website. With this method, it is possible that the gathered data does not represent the whole population.
- 3. This research only has three variables which are Green Brand, Green Knowledge and its influence towards Green Product Purchase Decision. Therefore, the need to add more variables that could possibly influence Green Product Purchase Decision is needed.

#### **CHAPTER V**

#### CONCLUSION AND SUGGESTION

#### **5.1 Conclusion**

Based on the result of the conducted research, it can be concluded as such:

- Green Brand (X1) has a positive impact on Green Product Purchase Decision (Y).
- 2. Green Knowledge (X2) has a positive impact on Green Product

  Purchase Decision (Y).
- 3. Green Brand\*Green Knowledge (X1X2) could moderate the impact of Green Brand towards Green Product Purchase Decision (Y), especially in weakening the relationship.

#### 5.2 Suggestion

Based on this research result, there are several suggestions that can be suggested:

- 1. Original Source must improve in terms of giving the public transparency about their effort in sustaining the earth as well as the result. This can be applied through creating green Corporate Social Responsibility (CSR) programs in order to create better perception towards Original Source as a green brand that is responsible.
- 2. Original Source is suggested to make sure the consumers are constantly exposed to the environmental information by spreading awareness about environmental regulation through social media

- platform in order to improve consumer environmental knowledge and therefore increasing the purchase decision.
- 3. Based on the third finding, Original Source must be able to know the exact green product expectation from environmentally educated consumers by conducting research that enables it to obtain real and deep insights from consumers which then can be converted into product improvements. Another way is to obtain more eco-labels and improve its product packaging to lessen waste.
- 4. The researcher is suggested to add the research variable such as promotion or price.
- 5. The researcher is suggested to broaden the research by conducting research on different population and sample.

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**Appendix 1: Research Questionnaire** 

**KUESIONER PENELITIAN** 

Responden yang terhormat,

Nama saya Dwivanny Retnaningtyas, mahasiswi S1 jurusan Manajemen konsentrasi Pemasaran Fakultas Ekonomi dan Bisnis Universitas Brawijaya. Saat ini saya sedang melakukan penelitian untuk tugas akhir (skripsi) dengan judul "The Influence of Green Brand towards Green Product Purchase Decision with Green Knowledge as Moderating Variable (A Study on "Original Source" consumers in Malang)"

Penelitian ini merupakan salah satu syarat kelulusan pada jenjang yang sedang saya tempuh.Berkaitan dengan hal tersebut, saya mohon kesediaan Saudara/Saudari untuk meluangkan waktu melengkapi kuesioner ini, sehingga dapat membantu melengkapi data yang saya perlukan.

Kuesioner ini ditujukan untuk responden masyarakat Malang yang berumur minimal 17 tahun. Responden pada penelitian ini terbatas pada responden yang telah membeli produk dari brand Original Source. Atas bantuan dan kerjasama Saudara/Saudari, saya ucapkan terima kasih.

Hormat saya,

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**Dwivanny Retnaningtyas** 

- 1. Apakah anda berdomisili di Malang?
  - Ya (mohon dilanjutkan)
  - Tidak (berhenti di sini)
- 2. Apakah anda pernah membeli produk Original Source?
  - Ya (mohon dilanjutkan)
  - Tidak (berhenti di sini)

#### **Identitas Responden**

1. Nama :.....(boleh tidak diisi)

2. Jenis kelamin : a. Laki-laki

b. Perempuan

3. Usia : a. 17 - 21 tahun

b. 22 - 26 tahun

c. 27 – 31 tahun

d. 32 - 36 tahun

e. >37 tahun

4. Pendidikan terakhir : a. SD

b. SMP

c. SMA

d. Sarjana / Diploma

5. Pekerjaan : a. Pelajar / mahasiswa

b. Pegawai Negeri / TNI – POLRI

c. Pegawai Swasta / BUMN

d. Wiraswasta

e. Lainnya

6. Pendapatan Perbulan : a. < Rp 1.500.000,00

b. > Rp 1.500.000,00 - Rp 3.000.000,00

 $c. > Rp \ 3.000.000,00 - Rp \ 4.500.000,00$ 

d. > Rp 4.500.000,00 - Rp 6.000.000,00

e. > Rp 6.000.000,00

- 7. Alasan membeli produk ramah lingkungan (green product):
  - a. Mendukung perlindungan lingkungan serta merasa bertanggung jawab terhadap lingkungan.
  - b. Pengalaman yang baik dengan produk ramah lingkungan.
  - c. Keramahan lingkungan dari perusahaan.
  - d. Daya tarik dan pengaruh sosial.
  - e. Lainnya

### Pertanyaan Penelitian

Berilah respon terhadap pernyataan dalam tabel dengan memberikan tanda check pada kolom yang sesuai dengan persepsi Saudara/i mengenai pernyataan tersebut. Skala respon adalah sebagai berikut:

• STS : Sangat Tidak Setuju

• TS : Tidak Setuju

• KS : Kurang Setuju

• S : Setuju

• SS : Sangat Setuju.

### **Green Brand**

No.	Votowangan	Respon				
110.	Keterangan	STS	TS	KS	S	SS
1	Saya menyadari upaya peduli lingkungan dari merek Original Source.					
2	Saya melihat label dan slogan tentang lingkungan pada merek Original Source.					
3	Saya mengenali arti dari slogan dan simbol tentang lingkungan yang digunakan merek Original Source.					
4	Saya bisa mengingat simbol tentang lingkungan yang digunakan merek Original Source.					

5	Merek Original Source berhasil dalam upaya peduli lingkungan.	
6	Saya senang memilih merek Original Source karena komitmennya terhadap lingkungan.	
7	Saya percaya bahwa benar menggunakan merek Original Source dalam upaya peduli lingkungan.	
8	Saya senang menjadi konsumen merek Original Source karena ramah lingkungan.	
9	Saya merasa komitmen terhadap lingkungan dalam merek Original Source sangat terpercaya	
10	Upaya terhadap lingkungan oleh merek Original Source sesuai dengan harapan saya.	
11	Merek Original Source menepati janji dan komitmennya untuk perlindungan lingkungan.	

## **Green Product Purchase Decision**

No	Votovongon	Respon					
No.	Keterangan		TS	KS	S	SS	
12	Saya merasa produk Original Source sudah sesuai dengan keinginan dan kebutuhan saya.						
13	Saya merasa kualitas produk Original Source lebih baik dibanding merek-merek produk ramah lingkungan sejenis lainnya.						
14	Produk Original Source memiliki varian yang bermacam-macam sesuai dengan selera saya.						
15	Saya membeli produk Original Source karena tidak melakukan tes pada hewan.						
16	Saya membeli produk Original Source karena mencerminkan penggunanya menyukai produk ramah lingkungan.						
17	Saya membeli produk Original Source karena mudah ditemukan dan dijangkau.						

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## Green Knowledge

No	No. Keterangan		Respon					
110.	Keterangan	STS	TS	KS	S	SS		
18	Saya memahami produk ramah lingkungan dan perlindungan lingkungan hidup.							
19	Saya memiliki kesadaran untuk menggunakan produk ramah lingkungan.							
20	Saya mengerti tentang regulasi lingkungan hidup.							



# The Influence of Green Brand towards Green Product Purchase Decision with Green Knowledge as Moderating Variable

Responden yang terhormat,

Nama saya Dwivanny Retnaningtyas, mahasiswi S1 jurusan Manajemen Fakultas Ekonomi dan Bisnis Universitas Brawijaya. Saat ini saya sedang melakukan penelitian untuk tugas akhir (skripsi) dengan judul "The Influence of Green Brand towards Green Product Purchase Decision with Green Knowledge as Moderating Variable".

Penelitian ini merupakan salah satu syarat kelulusan pada jenjang yang sedang saya tempuh. Berkaitan dengan hal tersebut, saya mohon kesediaan Saudara/Saudari untuk meluangkan waktu melengkapi kuesioner ini, sehingga dapat membantu melengkapi data yang saya perlukan. Responden pada penelitian ini terbatas pada responden yang telah membeli produk dari brand Original Source. Atas bantuan dan kerjasama Saudara/Saudari, saya ucapkan terima kasih.

\* Wajib

# Apakah Anda berdomisili di Malang? \* Ya (mohon dilanjutkan) Tidak (berhenti di sini) Apakah Anda pernah membeli produk Original Source? \* Ya (mohon dilanjutkan) Tidak (berhenti di sini)

**BERIKUTNYA** 

The Influence of Green Brand towards Green Product Purchase Decision with Green Knowledge as Moderating Variable

\* Wajib

### **Identitas Responden**

Nama
Jawaban Anda  Jenis kelamin *
Jenis kelamin *
O Perempuan
O Laki-laki
Usia *
O 17 - 21 tahun
O 22 - 26 tahun
27 - 31 tahun
27 - 31 tanun
32 - 36 tahun
○ >37 tahun
Pendidikan terakhir *
○ SD
SMP
○ SMA
O Sarjana/Diploma

Pekerjaan *
O Pelajar/Mahasiswa
Pegawai Negeri/TNI/POLRI
O Pegawai Swasta/BUMN
O Wiraswasta
○ Yang lain:
Pendapatan perbulan *
< Rp 1.500.000,00
> Rp 1.500.000,00 - Rp 3.000.000,00
> Rp 3.000.000,00 - Rp 4.500.000,00
> Rp 4.500.000,00 - Rp 6.000.000,00
O > Rp 6.000.000,00
Alasan membeli produk ramah lingkungan (green product) *
Mendukung perlindungan lingkungan serta merasa bertanggung jawab terhadap lingkungan.
Pengalaman yang baik dengan produk ramah lingkungan.
C Keramahan lingkungan dari perusahaan.
O Daya tarik dan pengaruh sosial.
Yang lain:

KEMBALI

BERIKUTNYA

\* Wajib

$\sim$				_		
Gı	-	_	n	-	 n	•

Green Brand
Saya menyadari upaya peduli lingkungan dari merek Original Source. *
○ Sangat setuju
O Setuju
O Netral
○ Tidak setuju
O Sangat tidak setuju
Saya melihat label dan slogan tentang lingkungan pada merek Original Source. *
○ Sangat setuju
○ Setuju
O Netral
○ Tidak setuju
O Sangat tidak setuju
Saya mengenali arti dari slogan dan simbol tentang lingkungan yang digunakan merek Original Source. *
○ Sangat setuju
○ Setuju
O Netral
○ Tidak setuju
○ Sangat tidak setuju

Saya bisa mengingat simbol tentang lingkungan yang digunakan merek Original Source. *
○ Sangat setuju
○ Setuju
○ Netral
○ Tidak setuju
O Sangat tidak setuju
Merek Original Source berhasil dalam upaya peduli lingkungan. *
○ Sangat setuju
O Setuju AS BA
○ Netral
○ Tidak setuju
O Sangat tidak setuju
Saya senang memilih merek Original Source karena komitmennya terhadap lingkungan. *
komitmennya terhadap lingkungan.
komitmennya terhadap lingkungan. *  Sangat setuju
komitmennya terhadap lingkungan. *  Sangat setuju  Setuju
komitmennya terhadap lingkungan. *  Sangat setuju  Setuju  Netral
komitmennya terhadap lingkungan.  Sangat setuju  Setuju  Netral  Tidak setuju
komitmennya terhadap lingkungan.  Sangat setuju  Setuju  Netral  Tidak setuju  Sangat tidak setuju  Saya percaya bahwa benar menggunakan merek Original Source
komitmennya terhadap lingkungan. *  Sangat setuju  Netral  Tidak setuju  Sangat tidak setuju  Saya percaya bahwa benar menggunakan merek Original Source dalam upaya peduli lingkungan. *
komitmennya terhadap lingkungan. *  Sangat setuju  Netral  Tidak setuju  Sangat tidak setuju  Saya percaya bahwa benar menggunakan merek Original Source dalam upaya peduli lingkungan. *  Sangat setuju
komitmennya terhadap lingkungan.  Sangat setuju  Netral  Tidak setuju  Sangat tidak setuju  Saya percaya bahwa benar menggunakan merek Original Source dalam upaya peduli lingkungan. *  Sangat setuju  Setuju

Saya senang menjadi konsumen merek Original Source karena ramah lingkungan. *
O Sangat setuju
○ Setuju
O Netral
○ Tidak setuju
O Sangat tidak setuju
Saya merasa komitmen terhadap lingkungan dalam merek Original Source sangat terpercaya. *
○ Sangat setuju
O Setuju AS BS
O Netral
O Tidak setuju
O Sangat tidak setuju
Upaya terhadap lingkungan oleh merek Original Source sesuai dengan harapan saya. *
O Sangat setuju
O Setuju
O Netral
○ Tidak setuju
O Sangat tidak setuju
Merek Original Source menepati janji dan komitmennya untuk perlindungan lingkungan. *
O Sangat setuju
○ Setuju
O Netral
○ Tidak setuju
O Sangat tidak setuju
KEMBALI BERIKUTNYA

# The Influence of Green Brand towards Green Product Purchase Decision with Green Knowledge as Moderating Variable

\* Wajib

### **Green Product Purchase Decision**

Saya merasa produk Original Source sudah sesuai dengan keinginan dan kebutuhan saya. *
○ Sangat setuju
O Setuju AS B
O Netral
○ Tidak setuju
○ Sangat tidak setuju
Saya merasa kualitas produk Original Source lebih baik dibanding merek-merek produk ramah lingkungan sejenis lainnya. *
○ Sangat setuju
○ Setuju
○ Netral
○ Tidak setuju
O Sangat tidak setuju
Produk Original Source memiliki varian yang bermacam-macam sesuai dengan selera saya. *
○ Sangat setuju
○ Setuju
○ Netral
○ Tidak setuju
Sangat tidak setuju

Saya membeli produk Original Source karena tidak melakukan tes pada hewan. *
O Sangat setuju
○ Setuju
O Netral
○ Tidak setuju
O Sangat tidak setuju
Saya membeli produk Original Source karena mencerminkan penggunanya menyukai produk ramah lingkungan. *
O Sangat setuju
O Setuju
O Netral
O Tidak setuju
O Sangat tidak setuju
Saya membeli produk Original Source karena mudah ditemukan dan dijangkau. *
○ Sangat setuju
○ Setuju
O Netral
○ Tidak setuju
O Sangat tidak setuju
KEMBALI BERIKUTNYA

# The Influence of Green Brand towards Green Product Purchase Decision with Green Knowledge as Moderating Variable

\* Wajib

Green Knowledge
Saya memahami produk ramah lingkungan dan perlindungan lingkungan hidup. *
○ Sangat setuju
○ Setuju
O Netral
○ Tidak setuju
O Sangat tidak setuju
Saya memiliki kesadaran untuk menggunakan produk ramah lingkungan. *
O Sangat setuju
○ Setuju
O Netral
○ Tidak setuju
O Sangat tidak setuju
Saya mengerti tentang regulasi lingkungan hidup. *
O Sangat setuju
○ Setuju
O Netral
○ Tidak setuju
○ Sangat tidak setuju
KEMBALI KIRIM

### Appendix 2: Validity and Reliability Test of *Green Brand* (30 respondents)

## Correlations

GB1.1	Pearson Correlation	.798**
	Sig. (2-tailed)	.000
	N	30
GB1.2	Pearson Correlation	.605**
	Sig. (2-tailed)	.000
	N	30
GB1.3	Pearson Correlation	.703**
	Sig. (2-tailed)	.000
	N	30
GB1.4	Pearson Correlation	.827**
	Sig. (2-tailed)	.000
	N	30
GB2	Pearson Correlation	.721**
	Sig. (2-tailed)	.000
	N	30
GB3.1	Pearson Correlation	.523**
	Sig. (2-tailed)	.003
	N	30
GB3.2	Pearson Correlation	.716**
	Sig. (2-tailed)	.000
	N	30
GB3.3	Pearson Correlation	.676**
	Sig. (2-tailed)	.000
	N	30
GB4.1	Pearson Correlation	.790**
	Sig. (2-tailed)	.000
	N	30
GB4.2	Pearson Correlation	.790**
	Sig. (2-tailed)	.000
	N	30
GB4.3	Pearson Correlation	.683**
	Sig. (2-tailed)	.000
	N	30
GB	Pearson Correlation	1
	Sig. (2-tailed)	
	N	30

## Reliability

**Case Processing Summary** 

		N	%
Cases	Valid	30	100.0
	Excludeda	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability	<b>Statistics</b>
-------------	-------------------

<b>Reliability S</b>	Statistics	
Cronbach's Alpha	N of Items	
.896	11	SITAS BRA
	UNIVERS	

# Appendix 3: Validity and Reliability Test of *Green Knowledge* (30 respondents)

### **Correlations**

		GK
GK1	Pearson Correlation	.847**
	Sig. (2-tailed)	.000
	N	30
GK2	Pearson Correlation	.764**
	Sig. (2-tailed)	.000
	N	30
GK3	Pearson Correlation	.818**
	Sig. (2-tailed)	.000
	N	30
GK	Pearson Correlation	$\Lambda \Phi$
	Sig. (2-tailed)	) ·
	N	30

### Reliability

**Case Processing Summary** 

		0	
		N	%
Cases	Valid	30	100.0
	Excludeda	0	0.
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

Kenability Staustics			
Cronbach's			
Alpha	N of Items		
.733	3		

# **Appendix 4: Validity and Reliability Test of** *Green Product Purchase Decision* (30 respondents)

### **Correlations**

Correlatio		
		GPPD
GPPD1.1	Pearson Correlation	.588**
	Sig. (2-tailed)	.001
	N	30
GPPD1.2	Pearson Correlation	.787**
	Sig. (2-tailed)	.000
	N	30
GPPD2	Pearson Correlation	.513**
	Sig. (2-tailed)	.004
	N	30
GPPD3.1	Pearson Correlation	.664**
	Sig. (2-tailed)	.000
	N	30
GPPD3.2	Pearson Correlation	.411*
	Sig. (2-tailed)	.024
\	N 5	30
GPPD4	Pearson Correlation	.678**
	Sig. (2-tailed)	.000
	N	30
GPPD	Pearson Correlation	1/\\\\\\\  1
	Sig. (2-tailed)	H MAN
	N	30

### Reliability

**Case Processing Summary** 

		N	%
Cases	Valid	30	100.0
	Excludeda	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

Cronbach's	
Alpha	N of Items
.647	6



Appendix 5: Validity and Reliability Test of Green Brand

## Correlations

	itions	
GB1.1	Pearson Correlation	.646**
	Sig. (2-tailed)	.000
	N	150
GB1.2	Pearson Correlation	.703**
	Sig. (2-tailed)	.000
	N	150
GB1.3	Pearson Correlation	.739**
	Sig. (2-tailed)	.000
	N	150
GB1.4	Pearson Correlation	.775**
	Sig. (2-tailed)	.000
	N	150
GB2	Pearson Correlation	.753**
	Sig. (2-tailed)	.000
	N	150
GB3.1	Pearson Correlation	.737**
	Sig. (2-tailed)	.000
	N	150
GB3.2	Pearson Correlation	.708**
	Sig. (2-tailed)	.000
	N	150
GB3.3	Pearson Correlation	.732**
	Sig. (2-tailed)	.000
	N	150
GB4.1	Pearson Correlation	.782**
	Sig. (2-tailed)	.000
	N	150
GB4.2	Pearson Correlation	.781**
	Sig. (2-tailed)	.000
	N	150
GB4.3	Pearson Correlation	.718**
	Sig. (2-tailed)	.000
	N	150
GB	Pearson Correlation	1
	Sig. (2-tailed)	
	N	150

## Reliability

**Case Processing Summary** 

		N	%
Cases	Valid	150	100.0
	Excludeda	0	.0
	Total	150	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability S	<u>Statistics</u>	
Cronbach's Alpha	N of Items	ITAS BRA
.913	11	TIAO BRA

### Appendix 6: Validity and Reliability Test Green Knowledge

### **Correlations**

		GK
GK1	Pearson Correlation	.836**
	Sig. (2-tailed)	.000
	N	150
GK2	Pearson Correlation	.793**
	Sig. (2-tailed)	.000
	N	150
GK3	Pearson Correlation	.798**
	Sig. (2-tailed)	.000
	N	150
GK	Pearson Correlation	1
	Sig. (2-tailed)	
	N	2150

### Reliability

**Case Processing Summary** 

		N	%
Cases	Valid	150	100.0
	Excludeda	0	0.
	Total	150	100.0

a. Listwise deletion based on all variables in the procedure.

Kenability Statistics				
Cronbach's				
Alpha	N of Items			
.736	3			

### Appendix 7: Validity and Reliability Test of Green Product Purchase Decision

### Correlations

Correlations				
		GPPD		
GPPD1.1	Pearson Correlation	.651**		
	Sig. (2-tailed)	.000		
	N	150		
GPPD1.2	Pearson Correlation	.604**		
	Sig. (2-tailed)	.000		
	N	150		
GPPD2	Pearson Correlation	.619**		
	Sig. (2-tailed)	.000		
	N	150		
GPPD3.1	Pearson Correlation	.540**		
	Sig. (2-tailed)	.000		
	N	150		
GPPD3.2	Pearson Correlation	.672**		
(1	Sig. (2-tailed)	.000		
	N Z	150		
GPPD4	Pearson Correlation	.558**		
	Sig. (2-tailed)	.000		
	N	150		
GPPD	Pearson Correlation			
	Sig. (2-tailed)			
	N	150		

### Reliability

**Case Processing Summary** 

		N	%
Cases	Valid	150	100.0
	Excludeda	0	.0
	Total	150	100.0

a. Listwise deletion based on all variables in the procedure.

Cronbach's				
Alpha	N of Items			
.653	6			

### **Appendix 8: Classical Assumption Tests**

### **Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin- Watson
1	.596	.355	.346	2.33678	2.054
2	.618	.382	.370	2.29462	2.046

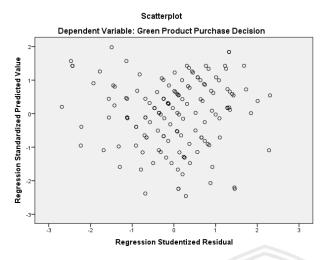
### Coefficients

	Model	Collinearity Statistics		
		Tolerance	VIF	
1	X1	.677	1.476	
	X2	.677	1.476	
2	X1	.018	56.512	
	X2	.021	47.067	
	X1X2	.006	158.522	

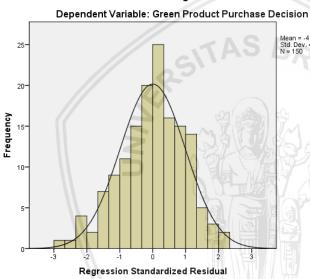
One-Sample Kolmogorov-Smirnov Test

n		Unstandardized Residual
N	Tel 3	150
Normal Parameters <sup>a,b</sup>	Mean	.0000000
\\	Std. Deviation	2.27140490
Most Extreme	Absolute	.053
Differences	Positive	.036
	Negative	053
Test Statistic		.053
Asymp. Sig. (2-tailed)		$.200^{c,d}$

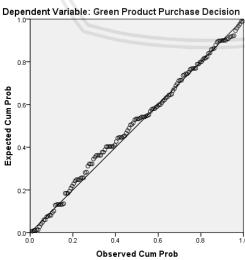
- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. This is a lower bound of the true significance.



### Histogram



Normal P-P Plot of Regression Standardized Residual



## **Appendix 9: Moderator Regression**

## **Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Green Product Purchase Decision	150	17.00	30.00	23.7667	2.89043
Green Brand	150	26.00	55.00	41.8667	6.03865
Green Knowledge	150	7.00	15.00	12.0400	1.73352
X1X2	150	252.00	825.00	509.9800	130.35308
Valid N (listwise)	150				

### **Correlations**

	N	Green Product Purchase Decision	Green Brand	Green Knowledge	X1X2
Green Product Purchase Decision	Pearson Correlation	1	.571**	.465**	.573**
	Sig. (2-tailed)	五月	.000	.000	.000
\\	N T	150	150	150	150
Green Brand	Pearson Correlation	.571**	/1	.568**	.894**
	Sig. (2-tailed)	.000		.000	.000
	N	150	150	150	150
Green Knowledge	Pearson Correlation	.465**	.568**	1	.871**
	Sig. (2-tailed)	.000	.000		.000
	N	150	150	150	150
X1X2	Pearson Correlation	.573**	.894**	.871**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	150	150	150	150

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

### Variables Entered/Removed<sup>a</sup>

Model	Variables Entered	Variables Removed	Method
1	Green Knowledge, Green Brand <sup>b</sup>		Enter
Model	Variables Entered	Variables Removed	Method

a. Dependent Variable: Green Product Purchase Decision

b. All requested variables entered.

### **Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin- Watson
1	.596	.355	.346	2.33678	2.054
2	.618	.382	.370	2.29462	2.046

### **ANOVA**<sup>a</sup>

		Sum of		Mean		
Mode	1	Squares 📙	df	Square	F	Sig.
1	Regression	442.133	2	221.066	40.484	.000 <sup>b</sup>
	Residual	802.700	147	5.461		
	Total	1244.833	149			
	_	Sum of		Mean		
Mode	1	Sum of Squares	df	Mean Square	F	Sig.
Mode 2	l Regression		df 3		F 30.141	Sig000 <sup>b</sup>
	-	Squares		Square		

a. Dependent Variable: Green Product Purchase Decision

b. Predictors: (Constant), X1X2, Green Knowledge, Green Brand

a. Dependent Variable: Green Product Purchase Decision