
Determinants of Generation Z's Purchasing Decisions On Environmentally Friendly Products: Green Perceived Value, Green Trust, And Green Satisfaction

Author

Ika Purwanti^{1*}, M Adhitya Nugraha Pratama², Muhammad Sulton³, Muhammad Dzikri Abadi⁴, Sunanik⁵

Correspondence

^{1,2,3} Institut Teknologi dan Bisnis Ahmad Dahlan Lamongan

*ikapurwanti044@gmail.com

Abstract:

This study aims to test and analyze the influence of green perceived value, green trust, and green satisfaction on the purchase decision of environmentally friendly products in Generation Z in Indonesia. This study uses a quantitative method with a survey approach. The population in this study is Gen Z consumers in Indonesia who use Wardah Green Series products in an unknown amount. The sample in this study amounted to 384 people, using a purposive sampling technique. Data was collected using an online questionnaire. Data analysis uses Multiple Linear Regression. The study results show that green perceived value, trust, and satisfaction can increase the purchase decision of Generation Z eco-friendly products.

Keywords: Green Product, Green Perceived Value, Green Trust, Green Satisfaction, Purchasing Decision

Received: 18 November 2024. Accepted: 29 January 2024

Introduction

The sustainable lifestyle trend is growing in Indonesia, especially among Generation Z, which is increasingly concerned about environmental issues. This generation, who feel the direct impact of climate change and environmental damage, is highly concerned about eco-friendly products. An IDN Times survey in 2024 showed that 88% of Gen Z in Indonesia consider climate change a serious problem, and about 82% of them are even willing to pay more for products that support environmental sustainability. Eco-friendly products such as (Simatupang & Lembana, 2022) and the Wardah Green Series are increasingly popular among Generation Z because they meet beauty needs and are aligned with sustainability values. They not only choose products based on quality and price but also consider the environmental impact of the products. This trend reflects a significant change in consumption patterns, where consumers are increasingly selective in choosing products that provide personal benefits and contribute to environmental conservation.

Consumer awareness of environmental issues has encouraged the phenomenon of green consumerism (Zhu & Sarkis, 2016). This change in consumer behavior creates opportunities for businesses that provide environmentally friendly products based on

consumer values and lifestyles. Companies aware of this change are looking for more sustainable business practices by implementing the concept (Hojnik et al., 2020) of green marketing, which combines business, environmental, and social aspects to create added value for customers. The concept of (Purwanti et al., n.d.) green marketing in the company is a form of attention to environmental damage issues, which the company then develops to determine the right marketing strategy for fostering green product purchase decisions.

Research conducted shows that Gen Z's purchasing decisions are driven by (Chen & Chang, 2012; Djakasaputra & Pramono, 2020; Firmansyah et al., 2019; Jalu et al., 2024; Ningtias & Dewi, 2023) green perceived value, green trust, and green satisfaction. Green Perceived Value refers to consumers' perception of the environmental benefits obtained from products. Green perceived value indicators consist of (1) Benefit for consumers, (2) Environmental benefit, (3) Environmental concern, and (4) Standard of quality and price (Chen & Chang, 2012; Dewi & Rastini, 2016). (Lisnaningrum et al., 2020) Green Trust relates to consumers' belief that brands or companies that offer eco-friendly products are committed to fulfilling their sustainability claims and not just following market trends. There are four items to evaluate green trust (Chen & Chang, 2012): (1) Environmental claim, (2) Reputation, (3) Environmental performance, (4) Environmental commitments. (Lisnaningrum et al., 2020) Green Satisfaction reflects consumer satisfaction with the eco-friendly products they choose (Putra & Rastini, 2017). According to Chen et al. (2015), Green Satisfaction can be measured through the following four indicators: 1) feeling happy with green products, 2) satisfaction with buying green products, 3) contributing to maintaining environmental sustainability when using green products, 4) environmental concern from green products, 5) satisfaction with the performance of green products.

This study aims to test and analyze the factors that affect the decision to purchase environmentally friendly products, especially among Wardah Green Series users among Generation Z, who focus on three factors, namely Green Perceived Value, Green Trust, and Green Satisfaction. So far, most studies have focused on just one factor, such as green value or satisfaction, without integrating how the three factors influence young consumers' purchasing decisions. In addition, the latest research uses the latest data from Gen Z Indonesia, which shows a high tendency towards environmentally friendly products and a willingness to pay more for products that align with sustainability values. As such, this research is expected to provide insights into how psychological and social factors affect Gen Z consumer behavior and practical insights for marketers and companies in developing more effective and sustainable marketing strategies for the Gen Z market segment.

Research Methodology

Approach and Design

This study uses a quantitative method with a survey approach, which aims to analyze the Relationship between Green Perceived Value, Green Trust, and Green Satisfaction on the

purchase decision of environmentally friendly products by Gen Z. The population in this study is Gen Z consumers in Indonesia who use Wardah Green Series products in an unknown amount. The sample was taken using purposive sampling, which means that respondents were selected based on specific criteria, namely 1) respondents aged 18 – 24 years, 2) users of Wardah Green Series products, 3) concerned about environmental issues, and 4) domiciled in various regions in Indonesia. The sample was calculated using the Slovin formula to obtain a representative sample size, and a sample number of 384 people was obtained. The sample is divided into three strata based on geographical regions in Indonesia, namely the Western Region (Sumatra, Jakarta, and its surroundings), the Central Region (Central Java, DIY, Bali), and the Eastern Region (Kalimantan, Sulawesi, Papua). The collected data were analyzed using multiple linear regression analysis (Suggestion, 2015).

The results of regression analysis showed that Green Perceived Value had a significant effect on the purchase decision of environmentally friendly products with a value of $t = 4.450$ and a significance value = 0.001. This shows that the greater the value perceived by consumers related to the benefits of environmentally friendly products, the stronger their decision to buy the product. This perceived value can include factors such as natural ingredients, environmentally friendly packaging, and product effectiveness in meeting consumer needs.

As many as 65% of respondents stated that Wardah Green Series products provide added value, not only because of their good quality for the skin but also because of their contribution to supporting environmental sustainability. They feel that the money they spend on eco-friendly products has a positive impact on the environment and their health. In addition, 37% of respondents prefer to buy eco-friendly products even though the price is slightly higher compared to non-environmentally friendly products. These results show that there is a growing awareness among the younger generation about the importance of supporting sustainable products. Sustainability aspects can be a decisive factor in purchasing decisions, especially among Gen Z consumers who are concerned about environmental impact.

The results of this study are in line with previous research, which found that Green Perceived Value plays an important role in the purchase decision of environmentally friendly products, especially among Generation Z consumers (Pandey & Yadav, 2023). The research Daniar et al., (2023); Hudayah et al., (2023); Putra & Rastini, (2017) reinforces these findings that consumers are more likely to choose products with higher green values because they see them as more responsible choices and provide long-term benefits for the environment. Another study states that consumers who are more aware of the environmental benefits of a product are more likely to buy the product, even though the price is slightly higher than conventional products (Gomes et al., 2023; Riva et al., 2022).

Results and Discussion

The results of the description of respondent characteristics include demographic and consumer behavior aspects. Based on demographics, respondents are mostly in the age range of 18-24 years (60%). This age range shows college students, students, and young workers who tend to follow beauty and sustainability trends. The majority of respondents are women at 85%, considering that Wardah Green Series products are better known among women, especially those who care about environmentally friendly beauty products. Respondents came from various educational backgrounds, with most having the last education from high school to college (S1) at 75%. This reflects the increasing level of awareness of sustainability among the younger generation, which is more educated. Respondents' locations in various regions of Indonesia, including urban areas with easier access to environmentally friendly products such as Jakarta and its surroundings by 45%, East Java by 35%, and in other regions (Kalimantan, Sumatra, Bali, etc.) by 20%.

Based on the characteristics of consumer behavior, the results were obtained that most respondents buy Wardah Green Series products regularly, namely every month, by 40%, both for facial care and other cosmetic products. Some respondents revealed that they prefer eco-friendly products even though they are slightly more expensive. As many as 70% of respondents consider environmental sustainability important and try to choose environmentally friendly products as part of their lifestyle. This shows a high level of awareness of issues such as plastic reduction and the use of natural ingredients in beauty products. The majority of respondents (65%) get information about beauty products through social media platforms such as Instagram, TikTok, and YouTube, which also play a role in their purchasing decisions.

This research has met the validity and reality test, as well as the classical assumption test. Furthermore, a multiple linear regression data analysis test was carried out with the results of the t-test and F-test as follows in Table 1:

Variable	t	Sig	Information
Green perceived value (X1)	4,450	0,001	significant positives
Green trust (X2)	4,804	0,003	No significant effect
Green satisfaction (X3)	3,942	0,001	significant positives

Table 1. Test Results t

The results of the t-test showed a t-value of 4.804, which was greater than the t-table (1.96), and a significance value of 0.003, which was smaller than 0.05. This shows that Green Trust has a significant influence on purchasing decisions. The higher the level of consumer trust in a product, the greater their tendency to buy the product. This research confirms the importance of Green Trust as one of the factors that influence the decision to purchase environmentally friendly products.

Respondents showed a high level of trust in Wardah Green Series products. As many as 53% of respondents stated that Wardah has credibility in producing cosmetics that are safe for the skin and also environmentally friendly. This trust is derived from Wardah's reputation as a pioneer in halal and safe cosmetics, as well as Wardah's strong commitment to emphasizing sustainable production process practices, which include the use of natural ingredients, reducing environmental impact, and eco-friendly packaging innovations. This combination of trust, safety, and sustainability has formed a strong trust among the younger generation, who are increasingly aware of the importance of eco-friendly products.

These results support the results of research conducted by Gen Z consumers, who tend to choose products that come from brands that are trustworthy and committed to sustainability, both in production and product distribution. Humairoh et al., (2023) , Lee (2020), and Muflih et al. (2024) also found that Green Trust plays a key role in building consumer loyalty and purchase intent. Consumers are more likely to buy green products if they feel that the company that produces them has credibility in terms of sustainability and environmental responsibility. Consumers not only want environmentally friendly products but also need convincing evidence that they can be trusted (Bernardes et al., 2022; Borah et al., 2024; Humairoh et al., 2023).

Green Satisfaction was also found to have a significant effect on the decision to purchase environmentally friendly products. The results of the statistical test obtained a t-value of 3.942 and a significance value = 0.001, less than 0.005. The figure shows that the higher the level of consumer satisfaction with environmentally friendly products, the greater their tendency to buy these products. The satisfaction felt does not only come from the quality of the product but also from the suitability of the product with the sustainability value that consumers believe. Consumers who are satisfied with eco-friendly products will regularly repurchase and recommend the product to others (Danar et al., 2023).

As many as 68% of respondents are satisfied with the quality of Wardah Green Series products, which shows the high acceptance rate of environmentally friendly products produced by Wardah. Wardah Green Series is known for using natural and environmentally friendly ingredients, which is the main attraction for environmentally conscious consumers. This satisfaction is driven by consistent product quality, success in meeting expectations, and Wardah's credibility as a brand with strong ethical values, including its commitment to sustainability and product safety. This positive response is reflected in positive reviews and user testimonials on social media, as well as increased loyalty from consumers who are looking for high-quality and environmentally friendly products.

These findings support previous research conducted by (García-Salirrosas Rondon-Eusebio, 2022; Qubbaj et al., 2023) that Green Satisfaction has a direct relationship with the purchase decision of environmentally friendly products. They found that product satisfaction, both in terms of product quality and positive impact on the environment, greatly influences consumers' decision to buy environmentally friendly products. Stating that the satisfaction

obtained from buying green products can encourage consumers to become loyal customers and recommend them to others. Daniar et al., (2023); Djakasaputra & Pramono, (2020); dan Humairoh et al., (2023).

The results of the F test show that together, the variables Green Perceived Value, Green Trust, and Green Satisfaction have a significant influence on purchase decisions, with a value of $F = 91.736$ and significance = 0.001. This shows that the multiple linear regression model used is significant, and the independent variable affects the dependent variable, namely, the purchase decision. The results of this study support previous research conducted by the combination of variables of green value perception, trust in environmentally friendly products, and satisfaction with the use of green products, which have a strong influence on purchase decisions Borah et al. (2024); Pandey & Yadav (2023); Putra & Rastini (2017); Qubbaj et al. (2023); Riva et al. (2022). The regression model indicates that Green Perceived Value has the greatest influence, followed by Green Trust and Green Satisfaction. These results show that while consumer satisfaction and trust are important, the perceived value of eco-friendly products is the most decisive factor in purchasing decisions.

Conclusion

Based on the results of the analysis, it can be concluded that Green Perceived Value, Green Trust, and Green Satisfaction significantly affect Generation Z consumers' purchase decisions for environmentally friendly products. This research focuses on Generation Z respondents who use Wardah Green Series products. Subsequent research is suggested to use comparative analysis between different generations or test the influence of other variables such as green brand image or environmental concern to broaden understanding of the factors that influence green product purchasing decisions.

References

- Bernardes, J., Nogueira, M., & Marques, A. D. (2022). From Y to Z: A Cross-Generational Study of Green Purchasing Behaviour. *World Textile*, 113. <https://doi.org/10.4028/p-h577gl>
- Borah, P. S., Dogbe, C. S. K., & Marwa, N. (2024). Generation Z's green purchase behavior: Do green consumer knowledge, consumer social responsibility, green advertising, and green consumer trust matter for sustainable development? *Business Strategy and the Environment*, 33(5). <https://doi.org/10.1002/bse.3714>
- Chen, Y. S., & Chang, C. H. (2012). Enhance green purchase intentions: The roles of green perceived value, green perceived risk, and green trust. *Management Decision*, 50(3). <https://doi.org/10.1108/00251741211216250>
- Daniar, K., Fatchur Rohman, & Sunaryo. (2023). The green experience effects on gen z customer loyalty mediated by perceived value and satisfaction. *International Journal*

- of Research in Business and Social Science (2147- 4478), 12(5).
<https://doi.org/10.20525/ijrbs.v12i5.2688>
- Djakasaputra, A., & Pramono, R. (2020). Green Perceived Risk, Green Viral Communication, Green Perceived Value Against Green Purchase Intention Through Green Satisfaction. *Journal Industrial Engineering & Management Research(JIEMAR)*, 1(2), 2722–8878.
- Firmansyah, F., Purnamasari, P. E., & Djakfar, M. (2019). Religiusitas, lingkungan dan pembelian green product pada konsumen generasi Z. *IQTISHODUNA*, 1(1), 57–70.
<https://doi.org/10.18860/iq.v1i1.5779>
- García-Salirrosas, E. E., & Rondon-Eusebio, R. F. (2022). Green Marketing Practices Related to Key Variables of Consumer Purchasing Behavior. In *Sustainability (Switzerland)* (Vol. 14, Issue 14). <https://doi.org/10.3390/su14148499>
- Gomes, S., Lopes, J. M., & Nogueira, S. (2023). Willingness to pay more for green products: A critical challenge for Gen Z. *Journal of Cleaner Production*, 390.
<https://doi.org/10.1016/j.jclepro.2023.136092>
- Hojnik, J., Ruzzier, M., & Manolova, T. S. (2020). Sustainable development: Predictors of green consumerism in Slovenia. *Corporate Social Responsibility and Environmental Management*, 27(4). <https://doi.org/10.1002/csr.1917>
- Hudayah, S., Ramadhani, M. A., Sary, K. A., Raharjo, S., & Yudaruddin, R. (2023). Green perceived value and green product purchase intention of Gen Z consumers: Moderating role of environmental concern. *Environmental Economics*, 14(2).
[https://doi.org/10.21511/ee.14\(2\).2023.07](https://doi.org/10.21511/ee.14(2).2023.07)
- Humairoh, H., Annas, M., & Rabbania, A. (2023). Gen Z: Purchase Decision on Go Green Products. *Dinasti International Journal of Economics, Finance & Accounting*, 4(4).
<https://doi.org/10.38035/dijefa.v4i4.2132>
- Jalu, G., Dasalegn, G., Japee, G., Tangl, A., & Boros, A. (2024). Investigating the Effect of Green Brand Innovation and Green Perceived Value on Green Brand Loyalty: Examining the Moderating Role of Green Knowledge. *Sustainability (Switzerland)*, 16(1). <https://doi.org/10.3390/su16010341>
- Lee, Y. K. (2020). The Relationship between green country image, green trust, and purchase intention of Korean products: Focusing on Vietnamese Gen Z consumers. *Sustainability (Switzerland)*, 12(12). <https://doi.org/10.3390/su12125098>
- Lisnaningrum, D., Sabihaini, & Ghofar, A. (2020). 32040-133741-1-PB (2). *Jurnal Sains Pemasaran Indonesia*, XIX(2), 62.
- Muflih, M., Iswanto, B., & Purbayati, R. (2024). Green loyalty of Islamic banking customers: combined effect of green practices, green trust, green perceived value, and green satisfaction. *International Journal of Ethics and Systems*, 40(3), 477–494.
<https://doi.org/10.1108/IJOES-03-2023-0062>

- Ningtias, A. D., & Dewi, C. (2023a). Pengaruh Environmental Consciousness, Eco-Label, Attitude, Green Advertising, Price Terhadap Buying Decision Of Green Products (Studi Pada Konsumen Generasi Z The Body Shop Di Kota Bandung). *JMBI UNSRAT (Jurnal Ilmiah Manajemen Bisnis Dan Inovasi Universitas Sam Ratulangi)*, 10(2), 1402–1413. <https://doi.org/10.35794/jmbi.v10i2.49531>
- Ningtias, A. D., & Dewi, C. (2023b). Pengaruh Environmental Consciousness, Eco-Label, Attitude, Green Advertising, Price Terhadap Buying Decision Of Green Products (Studi Pada Konsumen Generasi Z The Body Shop Di Kota Bandung). *JMBI UNSRAT (Jurnal Ilmiah Manajemen Bisnis Dan Inovasi Universitas Sam Ratulangi)*, 10(2), 1402–1413. <https://doi.org/10.35794/jmbi.v10i2.49531>
- Pandey, M., & Yadav, P. S. (2023). Understanding the role of individual concerns, attitude, and perceived value in green apparel purchase intention; the mediating effect of consumer involvement and moderating role of generation Z&Y. *Cleaner and Responsible Consumption*, 9. <https://doi.org/10.1016/j.clrc.2023.100120>
- Purwanti, I., Abadi, M. D., Suyanto, Y., Tinggi, S., Ekonomi, I., Ahmad, K. H., & Lamongan, D. (n.d.). *Green Marketing: Strategy For Gaining Sustainable Competitive Advantage In Industry 4.0*.
- Putra, K. D. S., & Rastini, N. M. (2017). 254869-pengaruh-green-perceived-value-dan-green-0121cb91. *E-Jurnal Manajemen Unud*, 6(5), 2789–2816.
- Qubbaj, A. I., Peiró-Signes, A., & Najjar, M. (2023). The Effect of Green Certificates on the Purchasing Decisions of Online Customers in Green Hotels: A Case Study from Saudi Arabia. *Sustainability (Switzerland)*, 15(7). <https://doi.org/10.3390/su15075892>
- Riva, F., Magrizos, S., Rubel, M. R. B., & Rizomyliotis, I. (2022). Green consumerism, green perceived value, and restaurant revisit intention: Millennials' sustainable consumption with moderating effect of green perceived quality. *Business Strategy and the Environment*, 31(7). <https://doi.org/10.1002/bse.3048>
- Simatupang, A. S., & Lembana, D. A. A. (2022). Analisis Faktor Yang Mempengaruhi Perilaku Pembelian Green Product Pada Generasi Z. *Prosiding Working Papers Series In Management*, 14(2). <https://doi.org/10.25170/wpm.v14i2.4197>
- Siti Asriah Immawati, Rosyid, R., & Kerin Paramita. (2023). Meningkatkan Keputusan Pembelian Konsumen The Body Shop Melalui Green Marketing dan E-Wom Dimediasi Kepuasan Konsumen. *MAMEN: Jurnal Manajemen*, 2(3). <https://doi.org/10.55123/mamen.v2i3.2485>
- Sugiyono. (2015). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Alfabeta.
- Zhu, Q., & Sarkis, J. (2016). Green marketing and consumerism as social change in China: Analyzing the literature. *International Journal of Production Economics*, 181. <https://doi.org/10.1016/j.ijpe.2016.06.006>