The Effect of Greenwashing, Green Word of Mouth, Green Trust and Attitude towards Green Products on Green Purchase Intention

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Abstract
Greenwashing has begun in developing countries, like Indonesia. Enterprises have begun selling their products as "green products" or environment friendly, however this is not totally accurate. This produces concern in the community because it is difficult to believe in a certain brand, whether they truly care about the environment or not. This study aims to determine the correlation between greenwashing, green word of mouth, and attitude towards green products on green purchase intention. Green trust is studied to get a better understanding of attitude. The method used is Theory Reasoned Action (TRA). A sample of 227 participants used the purposive sampling technique. Results were analysed using a PLS-SEM approach. This study showed that greenwashing and attitude towards green product have a positive impact on green purchase intention, while green word of mouth and green trust do not affect green purchase intention. The findings show that greenwashing does not impact green trust, while green word of mouth has a positive impact on green trust. Greenwashing does not impact on attitude towards green products, while green trust and green word of mouth have a positive impact on attitude towards green products. From the data that has been obtained, green marketing method is still effective to increase Indonesia’s customers purchase intention.

I. Introduction

The SDGs are a movement that is being drafted for sustainable development that has been determined by the United Nations. The purpose of holding the SDGs is for the development of human safety and the planet earth. of the 17 topics raised. Along with the SDG program carried out by Indonesia in recent years, Indonesia is trying to reduce the existing solid waste that has not been treated. point number 12 of SDG is responsible for consumption and production. Because of that, companies must prioritize environmental protection and according to Chan (2013). At this point, it is mentioned that we must start paying attention to sustainable waste management. People are also becoming more concerned about the effects of climate change, so they do more eco-friendly things in their daily lives and look for "green" products and services that help the environment. This shifting consumer preference has created a powerful incentive for businesses to develop green strategies and incorporate them into their goods and services (Chang et al., 2020).
Finally, there are companies that take advantage of this opportunity to start a movement to support the products, which is called Green Marketing.

Genoveva & Levina (2019) said that green marketing is a business-oriented approach to the environment, such as green environment, green products, green brands, green packaging, green advertising, green pricing, and green places. Companies have focused on green marketing strategies implemented by businesses, and it is expected to influence consumers' purchase intentions toward green products (Amalia, et al., 2021). In the current economic development, manufacturing companies are required to be able to compete in the industrial world (Afiezan, 2020). As a result, public relations terms like "green" or "eco," as well as "environmentally friendly," "sustainable," and "earth-friendly," have become more common in the process (Chen et al., 2013). Meanwhile, there are also those companies who take advantage of this opportunity to market their products as "eco-friendly," but this is not 100% true. This is what is called "greenwashing." Greenwashing is a way for companies to show off their "green" behavior and make people think their products are good for the environment without telling them all the bad things about them, so they can build up positive images in their minds (Nguyen et al., 2021). Greenwashing has also begun to occur in developing countries, one of which is Indonesia. Companies in Indonesia have started using this marketing strategy in the hope of improving the image of companies that care about environmental protection so that many buyers believe that by buying these products, they are also helping to protect the environment. Among them, many companies have started marketing their products as "green products" or environmentally friendly, but this is not entirely true. This causes anxiety in the community to be able to believe in a certain brand whether it is true that they care about the environment or not.

Greenwashing increases consumer trust in making sustainable decisions by purchasing their products. As there is a lot of misleading information on the internet, Green Word of Mouth (WOM) becomes a more engaging and vivid medium in this regard. According to Chaniotakis and Lymeropoulos (2009), WOM refers to verbal communication between customers and other persons or stakeholders such as channels, product or service producers, experts, friends, and relatives. All consumer buying experiences, as well as customer perceptions of service quality, have a direct impact on the brand's image. It is because customers perceive word-of-mouth (WOM) recommendations as being more credible, persuasive, and trustworthy than corporate recommendations, according to Barnes (2015). Green trust is often linked with green purchase intention because green trust helps consumers to solve the uncertainty and risk in green purchase intention. So, this research would like to see these research gaps filled by examining whether greenwashing and green word of mouth influence green purchase intention and whether green trust acts as a mediator between greenwashing and green word of mouth.

II. Review of Literature

2.1 Theory of Reasoned Action

Explained that behavior is influenced by intention, which is then influenced by subjective attitudes and norms. The beliefs influence this attitude because of the actions that have taken place. TRA demonstrates its utility in explaining social behavior aimed at purchasing environmentally friendly products. Attitudes toward perceived behavioral values are the best predictors of the intention to purchase environmentally friendly products. Measurement of purchase intention has been used a lot to find out about a market and a product's potential because the more people want to buy, the more likely they are to do so.
The TRA assumes that most characteristics of interest to social and behavioral scientists are completely under volitional self-control and that once a purpose is formed, the behavior is predicted to be initiated under appropriate circumstances (Sok et al., 2020).

2.2 Green Purchase Intention
Green purchasing intention is defined as the possibility that a customer will purchase green products and services because of his or her environmental needs (Zhang et al., 2018). Purchase intention is defined as the process by which buyers decide which products to purchase and believe that the product would also serve their needs and will be accepted for their habits in general (Hassan & Mohammad, 2013). According to Rahim et al., (2016) Green purchase intention is the possibility that a user would then decide on an environmentally friendly product over a comparable traditional product. In a study by Chen and Chang (2012) the level to which customers will pay for environmentally friendly products or services is referred to as green purchase intention.

2.3 Greenwashing and Green Purchase Intention
Many businesses have started using green marketing in the last few years. They use greenwashing to make their company look green, environmentally friendly, and healthy, so people will be more willing to buy. According to Marquis et al. (2016) Greenwashing is a deceptive marketing strategy used by businesses to make false statements about their environmental efforts to create a favorable public image. The company's products are considered green and sustainable, even if not. Greenwashing gives a false statement about the eco-friendly aspect to cover materials that are not environmentally friendly (Topal et al., 2019). If a customer is committed to a particular green product, the goal of the purchase is more likely to be exceeded. Thus, customer perceptions may influence the purchase of environmentally friendly goods. Therefore, this study suggests the research hypotheses: Greenwashing has a positive impact on green purchase intention (H1)

2.4 Green WOM and Green Purchase intention
Customers investigate products ahead of time to reduce perceived risk. People nowadays use the internet to obtain information because it enables real-time customer interactions. According Chan (2015), indicated that viral communications have a significant impact on green purchasing intentions. Keller & Fay (2012) stated that positive Word Of Mouth (WOM) can bring a high level of credibility, so customers are more likely to make green purchase intentions when they know others relating positive information about products. WOM has a direct impact on consumer decision-making because people tend to make decisions by relating to knowledge that decreases the ambiguity of their decision-making (Chan et al., 2014). A study by (Chan et al., 2012) when customers are surrounded by but perplexed by so-called "green products," those with higher green WOM are more likely to gain their trust and perceive their green purchasing intentions. Products with positive green WOM opinions are trusted by consumers and, as a result, influence the purchase intention of other customers. When customers are unsure about green products, they are more likely to trust and purchase those with excellent green WOM (Guerreiro & Pacheco, 2021). Therefore, this study suggests the research hypotheses: Green WOM has a positive impact on Green Purchase Intention (H2)

2.5 Green Trust and Green Purchase Intention
According to Chen (2010), green purchase intention is defined as "the likelihood that a consumer would buy a specific product as a result of his or her environmental needs." To make people more likely to buy green products, companies should invest in their green image
and customer trust (Chen & Chang, 2012). It is because green trust makes people more likely to buy green products because they connect with businesses that are ethical and avoid businesses that aren't. (Leonidou et al., 2012). This statement is also supported by a previous study that found a positive relationship between trust in an online store and consumers' intention to buy from an online store in their empirical study. (Everard & Galletta, 2005; Chen & Chang, 2012; Guerreiro & Pachecho, 2021) Therefore, this study suggests the research hypotheses:

Green trust has a positive impact on green purchase intention (H3)

2.6 Attitude toward Green Product and Green Purchase Intention

Ajzen & Fishbein (1980) said that attitude is a person's positive or negative view of certain behaviors. Attitude is also described as a positive or negative view of an object, action, problem, or person. Consumers require an understanding of their attitudes and motives to overcome the purchase barriers they confront (Smith & Paladino, 2010). Previous research has shown that many customers have favorable attitudes regarding organic food and the purchase of these products (Pham et al., 2019). Maichum et al., (2017) also found that environmental attitudes have significant positive influences on the purchasing intention for green products. Therefore, this study proposes a hypothesis stating that:

Attitude toward green products has a positive impact on attitude toward green purchase intention (H4)

2.7 Greenwashing and Green Trust

Green trust can be defined as "a willingness to rely on goods or services predicated on the belief or expectation resulting from its legitimacy, kindness, and ability regarding environmental performance." (Chen, 2010). Greenwash is an impediment to designing green marketing strategies because it can stymie environmental activities by making customers suspicious of green initiatives (Chen & Chang, 2013) Furthermore, greenwash prevents consumers from recognizing the consequences of their purchase intention because they are unable to distinguish between true and misleading claims (Horiuchi & Schuchard, 2019). When consumers are confronted with greenwashing claims made by certain companies, they are less likely to enter long-term relationships (Zhang et al., 2018; Chen et al., 2013; Diryana & Kurniawan, 2015). According to Chen (2012), customers are less likely to trust a company that makes false or ambiguous green promises. Chen & Chang (2013) found that greenwash negatively affects green trust in Taiwanese consumers who have purchased experience information and electronics products in Taiwan. According to the discussion above, this study proposes a hypothesis stating that:

Greenwashing has a negative impact on green trust (H5)

2.8 Green WOM and Green Trust

Green WOM, according to Carroll (2004), can influence consumers' trust in purchasing goods and services from a reputable company. Positive word-of-mouth (WOM) from customers is an important determinant of trust and repurchase frequency (Karjaluoto, 2014; Chen, 2010). As a result of the preceding discussion on WOM, it can be assumed that WOM has a positive impact on customer trust and the development of strong customer relationships. In a lab experiment, Cheung et al., (2009) looked at how positive WOM affects the relationships between people's beliefs. They found that positive WOM strengthens the relationship between people's emotional trust and their intentions to shop, as well as the relationship between people's perceived integrity and their attitude. Therefore, based on the discussion above, this study proposes a hypothesis stating that:

Green WOM has a positive impact on green trust (H6)
2.9 Green Trust and Attitude toward Green Product

Trust is a key factor in determining a person’s commitment to a relationship (Morgan & Hunt, 1994). It encourages customers to have a positive attitude toward a store and its brands (Joji, 2011). The more people trust specific brands or products, the more likely they are to form a favorable opinion of them (Chen and Chang, 2013). According to Ricci et al. (2018), positive trust leads to a positive attitude, which leads to an increased intention to purchase organic vegetables. Joji (2011) found that trust leads to a strong positive belief in the brand and a sense of confidence in it. Therefore, this study proposes a hypothesis stating that: Green trust has a positive impact on attitude toward green products (H7)

2.10 Greenwashing and Attitude toward Green Product

Schmuck et al. (2018) found that Greenwashing significantly damages consumer attitudes, and can lead to customers’ inability to recognize the effects of their buying behavior and differentiate between legitimate- and deceptive claims (Horiuchi et al., 2009). Companies have a strong interest in avoiding the act of Greenwashing because it will damage the reputation of the company, this impression lowers consumers’ brand attitudes and purchase intentions toward their brand (Szabo and Webster, 2020). On the other hand, false claims significantly enhance respondents’ perception of Greenwashing and consequently negatively affect consumer attitudes toward the respective brands. Therefore, this study proposes a hypothesis stating that: Greenwashing has a negative impact on attitude toward green products (H8)

2.11 Green Word Of Mouth and Attitude toward Green Product

An attitude is an individual’s subjective analysis of a product or brand (Bodur et al., 2000). An attitude toward the product is defined as an “individual’s perceptions of the product consumers based on his trademark perceptions (Punyatoya, 2015). According to Day (1971), word of mouth is significantly more efficient than advertising in converting negative or neutral attitudes into positive attitudes. Word of mouth communication is carried out by someone who first has personal experience with a product, service, or brand and then informs others about it, so that it can result in a favorable attitude toward the product. According to Ladhari (2007), there is a positive relationship between attitude and positive word of mouth. Therefore, this study proposes a hypothesis stating that: Green word-of-mouth has a positive impact on attitude toward green products (H9)

Figure 1. Conceptual Framework
III. Research Method

This research uses a quantitative research method that is the method for gathering, analyzing, interpreting, and writing the findings of the study (Creswell, 2018). In this study, data that will be collected are numbers that will be analyzed using statistics (Saunders et al., 2009). This study uses quantitative methods because the goal of this research is to test the hypothesis and generalize the findings to the larger population. To collect the data, this research uses questionnaires. The sampling design of this study is non-probability with purposive sampling. The criteria are people aged above 18 years old and who live in Jabodetabek area (Jakarta, Bogor, Depok, Tangerang, Bekasi). Jabodetabek was chosen as the research location because Jabodetabek is Indonesia's largest megacity, playing a critical role in social, economic, and political spheres (Rustiadi et al., 2014).

The respondent will be asked several questions based on the criteria formed for the respondent, and if the respondent meets all the criteria, the respondent will be asked questions about the variables studied. The data collections use questionnaires with Likert scales. The Likert scale in this research uses seven vulnerable scales (1) strongly disagree (2) disagree (3) more or less disagree (4) undecided (5) more or less agree (6) agree (7) strongly agree. This study uses a cross-sectional study design which means that data were gathered at a single point in time using a questionnaire method.

This research uses Pearson correlation coefficient analysis because it discovers multicollinearity among variables and guarantees that there is no significant association between them that might skew the results of multiple linear regression (Kittikowit et al., 2018). This is a quantitative study, and the SmartPLS analysis tool is used as a statistical tool to determine the influence of factors in this study because it provides a Structural Equation Model and Partial Least Square analysis. This study utilized the Structural Equation Model (SEM) as the instrument and Partial Least Square (PLS) analysis to investigate the associations between brand image, country of origin, trust, and purchase intention (Makawi, et al. 2020). The conceptual modeling in SEM PLS is justified and based on past research since it must be developed and constructed.

Table 1. Questioner Table Measures, Definitions, References for the Current Study.

<table>
<thead>
<tr>
<th>Item</th>
<th>Questions</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>GW1</td>
<td>Visuals or graphics in green products’ environmental features may mislead.</td>
<td>Horiuchi et al (2009); Laufer (2003)</td>
</tr>
<tr>
<td>GW2</td>
<td>Green products tend to provide a green claim that is vague or appears to be unprovable.</td>
<td>Horiuchi et al (2009); Laufer (2003)</td>
</tr>
<tr>
<td>GW3</td>
<td>The green functionality of a product tends to be overstated or exaggerated.</td>
<td>Horiuchi et al (2009); Laufer (2003)</td>
</tr>
<tr>
<td>GM1</td>
<td>People around me say positive things about green products.</td>
<td>Mouloudj &amp; Bouarar (2021)</td>
</tr>
<tr>
<td>GM2</td>
<td>People around me often discuss green products.</td>
<td>Mouloudj &amp; Bouarar (2021)</td>
</tr>
<tr>
<td>GM3</td>
<td>People around me told me about green products.</td>
<td>Mouloudj &amp; Bouarar (2021)</td>
</tr>
</tbody>
</table>
GT1 You feel that a product with environmental claims are generally trustworthy Chen (2009)

GT2 You feel that a product with an environmental reputation is generally reliable Chen (2009)

GT3 A product with eco-friendly claims keeps promises and commitments for environmental protection. Chen (2009)

AT1 I think purchasing green products is good for me. Mouloudj & Bouarar (2021)

AT2 I think green products that can reduce environmental damage are important. Mouloudj & Bouarar (2021)

AT3 I am willing to purchase green products that are good for the environment Mouloudj & Bouarar (2021)

GPI1 I will buy the products because of their claim of environmental concern Chen & Chang (2013); Nguyen et al. (2019)

GPI2 I am willing to buy products that contain no or fewer chemical ingredients Chen & Chang (2013); Nguyen et al. (2019)

GPI3 I am willing to buy products that are labeled as environmentally safe Chen & Chang (2013); Nguyen et al. (2019)

IV. Discussion

Online surveys yielded a total of 227 responses, 215 of which could be used. The participants were dominated by those aged 18-24 and 25-34 years old, with 43.7 percent and 34.9 percent, respectively, and by female respondents, with 65.6 percent. Approximately 68.4 percent of participants held bachelor's degrees, and 43.7 percent earned between 5 and 10 million rupiah.

Figure 2. The Result of the Full Model
Convergent validity is a set of indicators representing one latent variable. This also underlies the latent variable. This representation can be demonstrated through unidimensionality, in which the average variance extracted (AVE) can be described. The minimum AVE value is 0.5. Reliability can use Cronbach's Alpha where the value describes the reliability of all indicators in the model. The minimum value is 0.7.

### Table 2. Convergent Validity and Reliability Test Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach's Alpha</th>
<th>Factor Loading</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AT</td>
<td>0.6013889</td>
<td>0.610417</td>
<td>0.6375</td>
<td>0.547917</td>
</tr>
<tr>
<td>GM</td>
<td>0.5881944</td>
<td>0.629861</td>
<td>0.6270833</td>
<td>0.525</td>
</tr>
<tr>
<td>GP</td>
<td>0.5888889</td>
<td>0.614583</td>
<td>0.6291667</td>
<td>0.529167</td>
</tr>
<tr>
<td>GT</td>
<td>0.6284722</td>
<td>0.656944</td>
<td>0.6520833</td>
<td>0.581944</td>
</tr>
<tr>
<td>GW</td>
<td>0.6125</td>
<td>0.620139</td>
<td>0.6430556</td>
<td>0.561111</td>
</tr>
</tbody>
</table>

In Table 2 each indicator has met the results of the convergent validity test because the AVE value is > 0.5 and the factor loading value is above 0.5 so that all items can be declared valid. And the factor loading value > 0.5 so that all items are declared valid. And for all indicators, it has composite reliability > 0.7 and Cronbach's alpha > 0.6 so it can be said that all items are reliable. In table X, the discriminant validity test can be tested using AVE, namely whether the correlation value is greater than the value of the latent construct. Each item is greater than the correlation of the latent construct, so it can be concluded that all items are valid.

### Table 3. R2 Result

<table>
<thead>
<tr>
<th>Variable</th>
<th>R Square</th>
<th>R Square Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>AT</td>
<td>0.218055556</td>
<td>0.211805556</td>
</tr>
<tr>
<td>GT</td>
<td>0.536805556</td>
<td>0.534027778</td>
</tr>
</tbody>
</table>

Based on table 3, it can be shown that attitude toward green products, green purchase intention and green trust are able to explain the construct variability of attitude toward green products is 30.5%, green trust is 18.3% and the remaining 51.2%, and while greenwashing and green word of mouth towards green trust is able to explain green purchase intention by 19%, greenwashing, green trust and green word of mouth are able to explain green purchase intention by 31.4% and the remaining 49.6% which is explained by other constructs outside this study.

### Table 4. Hypothesis Test

| Variable | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values |
|----------|---------------------|-----------------|----------------------------|-------------------|----------|
| GW -> GP | 0.085               | 0.086           | 0.04                       | 2.125             | 0.034    |
| GM -> GP | -0.058              | -0.06           | 0.041                      | 1.4               | 0.162    |
| GT -> GP | 0.055               | 0.055           | 0.041                      | 1.328             | 0.184    |
In this study, the level of confidence used is 95% where the t-value must reach > 1.96 so that the hypothesis can be said to have a significant effect. If the t-value <1.96 indicates the hypothesis has an insignificant effect.

Hypothesis 1 states that greenwashing has a significant positive effect on purchase intention. The T-stat for the effect of greenwashing on purchase intention must be greater than 1.96, which is 2.125. For a p-value smaller than 0.05, that is 0.034. This states that greenwashing has a significant effect on purchase intention. Thus, hypothesis 1 is accepted.

Hypothesis 2 states that green word-of-mouth has a significant positive effect on green purchase intention. The t-stat for the effect of green word-of-mouth on green purchase intention must be greater than 1.96, which is 1.4 and the p-value must be less than 0.05, which is 0.162. This states that green word-of-mouth does not have a significant effect on green purchase intention. Thus, hypothesis 2 is rejected.

Hypothesis 3 states that green trust has a significant positive effect on green purchase intention and is rejected. The T-stat for the effect of green trust on green purchase intention must be greater than 1.96, which is 1.328. For a p-value greater than 0.05, that is 0.184. So it can be stated that green trust does not have a significant effect on green purchase intention. Thus, hypothesis 3 is rejected.

Hypothesis 4 states that attitude toward green products has a significant positive effect on green purchase intention. The T-stat for the effect of green word-of-mouth on green purchase intention must be greater than 1.96, which is 25,217 and the p-value must be less than 0.05, which is 0. This indicates that attitude toward green products does not have a significant effect on green purchase intentions. Thus, hypothesis 4 is accepted.

Hypothesis 5 states that greenwashing has a significant negative effect on green trust. The T-stat for the effect of greenwashing on the green trust must be more than 1.96, which is 0.069 and the p-value must be greater than 0.05, which is 0.945. This states that greenwashing does not have a positive effect on green trust. Thus, hypothesis 5 is accepted.

Hypothesis 6 states that green word of mouth has a significant positive effect on green trust accepted. The T-stat for the effect of green word of mouth on green trust must be more than 1.96, which is 6.869 and the p-value is greater than 0.05, which is 0. It can be stated that green word of mouth has a positive influence against green trusts. Thus, hypothesis 6 is accepted.

Hypothesis 7 states that green trust has a significant positive effect on attitudes towards green products. The T-stat for the effect of greenwashing on green trust must be more than 1.96, which is 5.426 and the p-value is greater than 0.05, which is 0. So it can be stated that green trust has a positive influence on attitude toward green products. Thus, hypothesis 7 is accepted.

Hypothesis 8 states that greenwashing has a significant negative effect on attitudes towards green products. The T-stat for the effect of greenwashing on the attitude towards green products must be greater than 1.96, which is 3.272 and the p-value is greater than 0.05, which is 0.001. This states that greenwashing has a significant effect on the attitude towards green products. Thus, hypothesis 8 is rejected.
Hypothesis 9 states that green word-of-mouth has a significant positive effect on attitudes toward green products. The t-stat for the effect of green word-of-mouth on attitudes toward green products must be greater than 1.96, i.e. 2.881, and the p-value must be less than 0.05, i.e. 0.004. This indicates that green word-of-mouth does not have a significant effect on attitudes toward green products. Thus, hypothesis 9 is accepted.

V. Conclusion

This study aims to examine the effect of Greenwashing, Green trust, Green Word-of-Mouth, and Attitude toward green products on Green Purchase Intention. The implications of this study are divided into two parts, practical and theoretical implications. Theoretical implications related to the development of research results for future researchers are related to Environmental Knowledge, Attitude toward green products, and Green Purchase Intention. Practical implications, giving managerial contributions to readers related to marketing strategy to be able to identify greenwashing practice.

The limitations of this study are short observation periods and are limited to Greenwashing, Green trust, Green Word-of-Mouth, Attitude toward Green Products, and Green Purchase Intention. Furthermore, the scope of this study is limited and is only carried out on citizens of the Jabodetabek area in Indonesia. Therefore, the results of this study cannot be generalized to other consumers in a wider area. Future research is expected to be able to study and expand the scope of this research by considering other factors that can affect Green Purchase Intention such as environmental knowledge, subjective norms, eco labels, etc. The research data is taken at a certain time (cross section), it is expected that in the future it can use time series data to produce better research.

References


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