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APPRAISING THE INFLUENCE OF THEORY OF CONSUMPTION VALUES ON ENVIRONMENTALLY-FRIENDLY PRODUCT PURCHASE INTENTION IN INDONESIA

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Abstract:
According to past studies, solving environmental problems should be initiated not only by companies and government but also by consumers as they play an important role in consumption activities. One of the initiatives can be taken by consumers in environmental preservation is by purchasing environmentally-friendly product. This study attempted to explore the environmentally-friendly product purchase intention by employing the theory of consumption values. The scope of this study is to identify which of these consumption values can influence the purchase intention for environmentally-friendly product. The object chosen for this study is environmentally-friendly fashion product, specifically environmentally-friendly shoes made from recycled plastic waste from the sea. A total of 115 respondents participated in this study. This study employed Partial Least Square to assess the validity, reliability as well as to test research hypotheses. Based on the result, functional, emotional, and epistemic value were proven to be significant in affecting purchase intention for environmentally-products, in which emotional value contributed the biggest effect. Meanwhile, social and conditional value were found to be insignificant. The result of this study emphasized the importance of the functional, emotional, and epistemic aspect of environmentally-friendly product as consumers considers these values the most when making a purchase decision.

Keywords: functional value, social value, emotional value, epistemic value, conditional value

1. Introduction

Along with the production and trade activities, consumption activities are believed to be one of the main contributors to various environmental issues (Tanner and Kast, 2003), like overconsumption, pollution, and natural resources exploitation (Griskevicius et al., 2010). As individuals have a significant contribution to environmental detrimental, involving them in environmental preservation has been

considered as one of the solutions for solving environmental issues (Rizkalla et al., 2019). Individuals as consumers can contribute to environmental preservation through their choice and behavior, like saving energy, recycling, and buying environmentally-friendly products. Here, environmentally-friendly products are considered as one of the solutions to tackle environmental challenges. Environmentally-friendly products are proven to be able to reduce hazards on the environment as they contain fewer toxic substances and produce less waste (Azevedo et al., 2011). Environmentally-products are sold successfully in many countries, in which the success rate is higher in developed countries compared to the rate in the developing countries (Morren and Grinstein, 2016).

As for Indonesia, the implementation of eco-label is considered as a new concept, where it was firstly introduced in 2014 (Nadlifatin et al., 2016). Remembering it is still a new phenomenon in Indonesia, the number of products with eco-label are still very few, especially if compared with the number of conventional products. Regardless of its novelty, exploring green products in Indonesia is essential. With the vast number of populations of more than 260 million people, Indonesia constitutes a huge market potential for green products. Moreover, consumers in Indonesia are quite welcome with the environmentally-friendly product concept. According to a research conducted by WWF and Nielsen in 2007, 63% of respondents were willing to purchase environmentally-friendly products even if these products were sold at a higher price compared to conventional ones (Syafrizal, 2017). The respondents asserted that the seriousness of global warming issues, the sense of responsibility of environmental degradation, and the fulfilment upon contributing to environmental preservation could be the reasons behind their willingness to buy environmentally-friendly products at a premium price (Adhityahadi et al., 2017).

Although some consumers are now becoming more aware about seriousness of environmental issues (Dash, 2009) and willing to change their lifestyle into a more sustainable one, there are also some who are still reluctant in conducting pro-environmental behaviour (Ramayah et al., 2010). Thisincludes switching their choice to environmentally-friendly product (Haws et al., 2014). One of the primary reasons for their unwillingness to purchase the environmentally-friendly product is because of the cost (Tsay, 2010). It cannot be denied that consumers perceived environmentally-friendly products to be more expensive compared to conventional products (Eze and Ndubisi, 2003), and this becomes a barrier for consumers to purchase environmentally-friendly products (Padel and Foster, 2005). Another reason why consumers do not buy environmentally-friendly products is the perception that these products may not perform as well as conventional ones (Luchs et al., 2010).

Several studies mentioned that the success of the implementation of eco-friendly products heavily depends on the role of government (Nadlifatin et al., 2016). The Government, as a policymaker can influence businesses and consumers to participate in environmentally-friendly production and consumption through regulation and policy (Lin et al., 2015). However, the success of these regulations and policies is also subject to acceptance and behaviour of the consumers (Rizkalla et al., 2019). The regulations from the government and the compliance from the companies to produce environmentally-friendly products could end up in vain if the consumers do not have awareness and willingness to behave accordingly.

Therefore, it is really imperative to understand consumers' motives when they decide to purchase environmentally-friendly products.

This study would try to investigate why consumers buy environmentally-friendly products by employing the theory of consumption values from Sheth et al. (1991). According to this theory, there are five values influencing consumers' decisions in purchasing products, namely functional value, social value, emotional value, epistemic value and conditional value (Sheth et al., 1991). The theory of consumption values is believed to be able to explain the buying behavior of various type of product (Sweeney and Soutar, 2001), including environmentally-friendly products (Koller et al., 2011). However, studies employing the theory of consumption values for environmentally-product purchase intention in Indonesia is still very few. Thus, this study is motivated by these following questions:

Research question 1: Can the theory of consumption values explain the environmentally-friendly product purchase intention of Indonesian consumers?

Research question 2: Which of these consumption values play the most prominent role in explaining environmentally-friendly purchase intention of Indonesian consumers?

2. Literature Review

2.1. Environmentally Friendly Product Purchase Intention

Environmentally-friendly, eco-friendly or green products are products that can improve the condition of natural environment, can ensure the conservation of energy, and can reduce the harmful effects towards environment (Ottoman et al., 2006). Additionally, these are the products which can be reused and do not cause dangerous effect on environment during the production, consumption and post consumption process (Mufidah el al., 2018). According to Elkington et al. in Tsay (2010), a product can be classified as green product if it meets several criteria. First of all, it does not cause any harm to humans and animals. Next, the product should not cause any damage in the environment during the production, consumption and post consumption stage. The product should also not lead to excessive waste and consume large amount of energy. Last but not least, the product should not use materials from extinct and endangered resources. In this sense, a product is classified to be "green" or environmentally friendly not only based on the consumption process, but also based on the whole production process (Maniatis, 2015).

This study focused on environmentally-friendly fashion product, specifically environmentally-friendly shoes. In the context of fashion, a product is considered to be green or environmentally-friendly if it uses organic materials, recycled materials and sweatshop-free labor (Barnes et al., 2016). It can also be classified as environmentally-friendly product if it is made for long-term use (Wei and Jung, 2017). Rather than actual behaviour, the scope of this study is to assess purchase intention. Here, green purchase intention is defined as the likelihood of consumers to purchase environmentally-friendly product (Chen et al., 2012). It also refers to the readiness of an individual to conduct green buying behaviour (Chen and Deng, 2016).

2.2. Consumption Values

According to Schwartz and Bilsky (1987), values are "concepts or beliefs about desirable end states that transcend specific situations, guide selection or evaluation

of behavior and events and are ordered by relative importance". Values are deemed to be important because they serve as the ground of individuals' behaviour, like making preference or evaluating a certain object or behaviour (Goncalves et al., 2016). Values can be treated as unidimensional or multi-dimensional. One of the existing multidimensional frameworks of values is the one developed by Sheth et al. (1991), which is known as theory of consumption values.

According to Long and Schiffman (2000), consumption values can unfold the underlying motivation of individual's buying decision and behavior. Likewise, Sheth et el. (1991) stated that consumption values can elucidate the ground of consumer's product and brand preference. The theory of consumption values is believed to be able to explain the buying behavior of various type of product (Sweeney and Soutar, 2001), including environmentally-friendly products (Koller et al., 2011). According to Goncalves et al., (2016) each of consumption values would have different effect on different category of product.

2.3. Functional Value

Seth et al. (1991) defined functional value as "perceived quality acquired from an alternative's capacity for functional, utilitarian or physical performance" (p.61). Functional value of a certain product is mainly assessed based on its utilitarian aspect (Sheth et al., 1991) like price, dependability, quality, and durability (Biswas and Roy, 2005). Functional value is believed to be the main drive of consumer preference (Sheth et al 1991), as according to utility theory, when consumers make a buying decision, they always try to maximize their purchase utility, derived from the comparison between the benefit of the product and the cost incurred.

In regards to environmentally-friendly products, it is believed that the main driver of consumer purchase decision is functional value (Zailani et al., 2019). Consumers decide to buy environmentally-friendly products because these products are regarded to be superior compared to conventional product as they can deliver additional benefits, like reducing the amount of waste and improving air quality (Roe et al., 2001). According to Biswas and Roy (2015) the quality of the product, which is the part of functional value, is significantly influencing purchase behavior for environmentally-friendly product. Another aspect of functional value is price. It has been proven that consumers consider not only the quality aspect but also price aspect of the product when they decide to buy a product, including environmentally-friendly product (Ritter et al., 2015). While it is evident that the price of environmentally-friendly product is slightly higher than conventional product, consumers are still willing to purchase this product as long as the product is deemed to have more value (Tsay, 2010). Based on these prognosis, a following hypothesis is proposed:

H1: Functional value has a positive effect on Environmentally-friendly product Purchase Intention

2.4. Social Value

Social value is defined as "the perceived utility acquired from an alternative's association with one or more specific social groups. An alternative acquires social value through association with positively or negatively stereotyped demographic, socioeconomic, and cultural-ethnic groups" (Sheth et al., 1991, p.161). It is believed that products do not only deliver functional value, but also symbolic or social value (Sheth et al., 1991), and this social value is personified through the social pressure that drives consumers to make choice (Bei and Simson, 1995).

In regards to environmentally-friendly product, consumers purchase environmentally-friendly products not only to get functional value from the product but also to improve their self-image and approval from others, or in other words to acquire social value (Finch, 2006). For some consumers, buying environmentally-friendly product is the manifestation of their symbolic identification (Yoo et al, 2013). Several studies have found that social value has a positive influence on environmentally-friendly product purchase intention (Suki and Suki 2015; Biswas and Roy, 2015).

H2: Social value has a positive effect on Environmentally-friendly product Purchase Intention

2.5. Emotional Value

Emotional value refers to perceived utility resulted from the evoked affective states and feelings upon the consumption of a certain product (Sheth et al., 1991). It is believed that emotions play a significant role in consumption activity (Leone et al., 2005). According to Chuang (2007), emotions are deemed to be the influential factor in the formation of consumers' preferences and choice. Furthermore, this applies as well to environmentally-friendly products.

Several studies have proven that emotional value can influence consumers' decision to buy environmentally-friendly products (Lin and Huang, 2012). It is mentioned that choosing environmentally-friendly products would make consumers feel content and proud of themselves for contributing to environmental preservation (Bei and Simpson, 1995). In some cases, consumers are fully aware that their decision to buy environmentally-friendly products is driven by the sense of responsibility towards the environment as well towards themselves, as buying environmentally-friendly products would enable them to live a healthier lifestyle (Suki and Suki, 2015). Based on these notions, we propose this following hypothesis:

H3: Emotional value has a positive effect on Environmentally-friendly product Purchase Intention

2.6. Epistemic Value

By definition, epistemic value is "the perceived utility acquired from an alternative's capacity to arouse curiosity, provide novelty, and/or satisfy a desire for knowledge" (Sheth et al., 1991, p. 162). A product would be considered to possess epistemic value if it can create new experience for the consumers, which further would nurture their needs of novelty, curiosity and knowledge (Sheth et al, 1991). Consumers often buy a certain product because the product is innovative and new. Consumers also often buy a certain product driven by their curiosity, like when they see something different from what they usually buy or consume. Last but not least, consumers' decision to buy a certain product can also be based on their need to gain new knowledge (Zsoka et al., 2013).

In the relation of environmentally-friendly products, epistemic value is believed to be able to influence purchase behaviour (Lin et al., 2010). Here, environmentally-friendly products are considered to have epistemic value as the concept of these products is relatively new compared to conventional product (Rizkalla, 2017), like their materials, their production process and their promotional strategies. Additionally, according to Tanner and Kast (2003), consumers' decision to purchase environmentally-friendly products is driven by their eagerness to gain knowledge about the product. Some consumers decide to purchase environmentally-friendly product because this product can fulfill their desire to learn something new, including

new concept about the product (Rahnama and Rajabpour, 2016). By these narration, a following hypothesis is formulated:

H4: Epistemic value has a positive effect on Environmentally-friendly product Purchase Intention

2.7. Conditional Value

Sheth et al. (1991) defined conditional value as "the perceived utility acquired by an alternative as the result of the specific situation or set of circumstances facing the choice maker." (p.162). It is stated that conditional factor like time and place play an important role in the formation of consumer behaviour (Rahnama and Rajabpour, 2016). There are also evidences where the change in personal situations can affect consumers purchase decision (Lin and Huang, 2012).

In regards of environmentally-friendly products, it is mentioned that consumers consider the seriousness of environmental issues when they making their purchase decision (Lin and Huang, 2012). In this sense, conditional value is relevant in explaining environmentally-friendly product purchase intention (Biswas and Roy, 2015). The decision to buy environmentally-friendly product can be driven by consumers' belief and predisposition about environmental perseverance and how this product can make a difference in environment (Suki and Suki, 2015). Hence, a following hypothesis is proposed:

H5: Conditional value has a positive effect on Environmentally-friendly product Purchase Intention

2.8. Research Framework

Based on the formulated hypotheses, this study would investigate the effect of five independent variables, namely functional value, social value, emotional value, epistemic value and conditional value on environmentally-friendly product purchase intention. Thus, the following research framework were made:

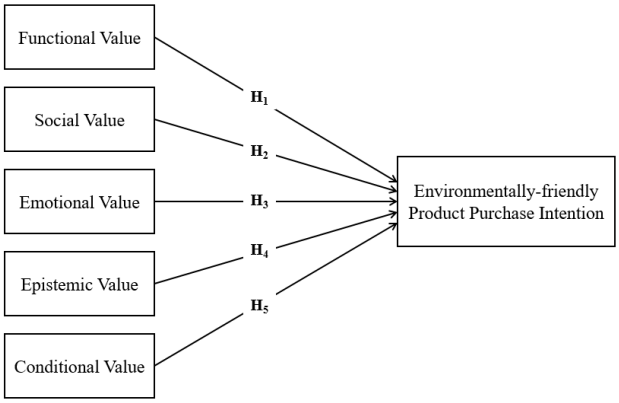

Figure 1. Research Framework

Source: Adapted from Sheth et al. (1991) and Koller et al. (2011)

3. Method and Measurement

The object used in this study in an environmentally shoes which made from recycled materials, especially the plastic waste from the ocean. The data was collected through self-administered questionnaire in Greater area of Jakarta which

consists of 32 questions: 4 questions are about demographic factors and 28 questions are related to research variables. Greater area of Jakarta is chosen because middle class and affluent consumers (MAC) of Indonesia are heavily concentrated in this area (Grigg, 2019). The large number of MAC in Greater Jakarta area provides a big opportunity for green product as this segment is known for its openness to try new things (Mufti, 2019), including green product. The items to measure research variables were adapted from several sources: 8 items for functional value were adopted from (Sweeney and Soutar, 2001), 4 items for social value were adopted from (Sweeney and Soutar, 2001), 3 items for emotional value were adopted from (Arvola et al., 2008), 4 items for epistemic value were adopted from (Lin and Huang, 2012), 4 items for conditional were adopted from (Lin and Huang, 2012) and 5 items to measure purchase intention were adopted from (Kim and Choi, 2005). The measure of this study is presented on table 1.

Table 1

Measurement and Outer Loadings

Variables	Code	Measurement	Outer Loadings
Functional Value (Sweeney and Soutar, 2001)	FV1	This environmentally-friendly shoes have a consistent quality	0.763
	FV2	This environmentally-friendly shoes are well made	0.779
	FV3	This environmentally-friendly shoes have an acceptable standard of quality	0.772
	FV4	This environmentally-friendly shoes would perform consistently	0.808
	FV5	This environmentally-friendly shoes are reasonably priced	0.757
	FV6	This environmentally-friendly shoes offer value for money	0.821
	FV7	This environmentally-friendly shoes are a good product for the price	0.812
	FV8	This environmentally-friendly shoes would be economical	0.724
Social Value (Sweeney and Soutar, 2001)	SV1	Buying this environmentally-friendly shoes would help me feel acceptable.	0.796
	SV2	Buying this environmentally-friendly shoes would improve the way that I am perceived.	0.786
	SV3	Buying this environmentally-friendly shoes would make a good impression on other people	0.846
	SV4	Buying this environmentally-friendly shoes would give its owner social approval	0.899
Emotional Value (Arvola et al., 2008)	EV1	Buying this environmentally-friendly shoes instead of conventional shoes would feel like I am making a good personal contribution to something better.	0.798
	EV2	Buying this environmentally-friendly shoes instead of conventional shoes would feel like I am doing the morally right thing.	0.832
	EV3	Buying this environmentally-friendly shoes instead of conventional shoes would make me feel like a better person	0.765

Variables	Code	Measurement	Outer Loadings
Epistemic Value (Lin and Huang., 2012)	EPV1	Before buying this environmentally-friendly shoes, I would obtain substantial information about the different makes and models of that products.	0.780
	EPV2	I would acquire a great deal of information about the different types and models of this environmentally-friendly shoes before buying it	0.786
	EPV3	I am willing to seek out novel information about this environmentally-friendly shoes	0.891
	EPV4	I like to search for the new and different information about environmentally-friendly product, like this environmentally-friendly shoes	0.806
Conditional Value (Lin and Huang, 2012)	CV1	I would buy the environmentally-friendly product instead of conventional products under worsening environmental conditions.	0.716
	CV2	I would buy the environmentally-friendly product instead of conventional products when there is a subsidy for environmentally-friendly products.	0.832
	CV3	I would buy the environmentally-friendly product instead of conventional products when there are discount rates for environmentally-friendly products or promotional activity.	0.919
Purchase Intention (Kim and Choi, 2005)	PI1	I would like to buy this environmentally-friendly shoes because this shoes are made from recycled materials	0.759
	PI2	I would switch my choice of shoes to this environmentally-friendly shoes because of environmental reason	0.745
	PI3	I would prefer buying this environmentally-friendly shoes to conventional shoes because they are less harmful for the environment	0.774
	PI4	I would buy this environmentally-friendly shoes because its environmentally-friendly credence	0.706
	PI5	I would not consider to buy this environmentally-friendly shoes if they cause damage to the environment	0.708

All items used to measure the research variables were assessed using 5-point Likert scale, ranging from “Very Disagree (1)” to “Very Agree (5)”. Since we do not have the sampling frame for the population, this study implemented non-probability sampling to acquire the respondents. A total of 115 respondents were participating in this study. These respondents are young adults known about the environmentally-friendly shoes but have not purchased the product. Young adults are chosen because they are considered to be more aware of environmental issues (McDougle et al, 2011) and therefore would be more attuned towards environmentally-friendly products (Bucic et al., 2012).

4. Result and Analysis

4.1. Respondents Profile

The sample comprises of 74% male and 26% male respondents. Most of the respondents aged between 24-26 years old with 45%, followed by 21-23 years old with 20%. As for the education level, most of them are Bachelor's degree, with 52.2% then Diploma or below with 32.2%. As for occupation, most of them are employee with 58.3%. The detail of respondent profile is depicted on table 2 below:

Table 2

Demographic Profile

	Frequency	Percentage
Gender		
Female	30	26%
Male	85	74%
Age Group		
18 - 20	17	14.8%
21 - 23	27	23.5%
24 - 26	32	27.8%
27 - 29	10	8.7%
30 - 32	13	11.3%
33 - 35	16	13.9%
Occupation		
Student	34	29.6%
Employee	67	58.3%
Entrepreneur	14	12.2%
Education		
Diploma or Below	37	32.2%
Bachelor's Degree	60	52.2%
Master's Degree	18	15.6%

4.2. Measurement Model Evaluation

This study employed variance-based method Partial Least Square using SmartPLS 3.0. with two-stage analytical procedures (Anderson and Gerbing, 1988). This two-stage analytical procedure consists of measurement model analysis and structural model analysis. On the measurement model analysis stage, this study would assess the reliability, convergent validity and discriminant validity.

Table 3

Convergent Validity and Reliability

Variables	No of Indicators	Cronbach's Alpha	CR	AVE	VIF
Conditional Value	3	0.800	0.865	0.683	1.149
Emotional Value	3	0.716	0.841	0.638	2.352
Epistemic Value	4	0.834	0.889	0.668	1.839
Functional Value	8	0.908	0.926	0.609	1.814
Social Value	4	0.853	0.901	0.694	1.367
Purchase Intention	5	0.792	0.857	0.546	-

The first stage of measurement model evaluation is the assessment of convergent validity. In this study, convergent validity was evaluated by assessing outer loadings of each indicator and Average Variance Extracted (AVE). As can be seen on table 1, the outer loadings of each indicator are above the minimum requirement of 0,7. In addition, the value of Average Variance Extracted (AVE) is also above the threshold of 0.50 (see table 3) which indicate that the measurement model shown an adequate convergent validity. This study also assessed the reliability of the variables by calculating the Composite Reliability (CR) and Cronbach's Alpha. The items measuring research variables would deem to be reliable if the score exceeds the minimum requirement of 0.7 for CR and 0.7 for Cronbach's Alpha. As depicted on table 3, all items are reliable as the scores are above the threshold used in this study. Moreover, the variance inflation factor (VIF) values for all variable are lower than 5 (Hair et al., 2013). This result indicates that there is no multicollinearity among independent variables used in this study.

Table 4

Discriminant Validity

	CV	EV	EPV	FV	SV	PI
Fornell-Larcker Criterion						
Conditional Value (CV)	**0.826**					
Emotional Value (EV)	0.356	**0.799**				
Epistemic Value (EPV)	0.227	0.637	**0.817**			
Functional Value (FV)	0.179	0.617	0.568	**0.78**		
Social Value (SV)	0.161	0.494	0.370	0.427	**0.833**	
Purchase Intention (PI)	0.265	0.693	0.616	0.648	0.486	**0.739**

Then, discriminant validity was assessed by using Fornell-Larcker criterion where the AVE of each construct should be bigger than the squared correlation with another construct (Hair et al., 2013). As can be seen on table 4, all variables meet this criterion. This study also compares the loadings of each items with the total cross-loadings. As depicted on Table 5, the loadings of each items are higher than