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## DETERMINANTS OF CONSUMPTION VALUES AND THEIR IMPACT ON GREEN PURCHASE INTENTION THROUGH GREEN TRUST

(Case Study on the Purchase and Use of Xiaomi Electric Scooter Products in Jabodetabek)

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## **ABSTRACT**

This study aims to analyze the determinants of consumption value and their impact on green purchase intention through green trust in a case study on the purchase and use of Xiaomi electric scooter products in Jabodetabek. This study used quantitative accidental sampling method by conducting survey techniques using questionnaire instruments. The questionnaire was distributed to 150 respondents in the Jabodetabek area and the classification of respondents were those who had known, had used, and had bought electric scooter products. The analysis techniques used are descriptive statistics and Structural Equation Modeling (SEM). The results of this study state that consumption values consisting of functional value, social value, and emotional value have a significant influence on green trust both individually and together, consumption values have a significant influence on green purchase intention, green trust has a significant influence on Green Purchase Intention, as well as Consumption Values and Green Trust together have a significant influence on Green Purchase Intention.

Keywords: Consumption Values; Functional Value; Social Value; Emotional Value; Green Trust; Green Purchase Intention

#### INTRODUCTION

The intensity of people to buy a vehicle always increases every year. Data from Korlantas states that in 2022 vehicle ownership in Indonesia has reached 150,786,747 units. In the Jakarta area alone, motorized vehicles reached 22,091,244 units, reaching 14.87% of the total vehicle population in Indonesia (Sari, 2022). The number of motorized vehicles resulted in Indonesia being ranked 17th as one of the most polluted countries in the world, while in the Southeast Asian region, Indonesia was ranked first (Pranita, 2022).

One of the countermeasures to the air pollution problem is to reduce the use of motorized vehicles or by using electric vehicles (Dephub, 2022). Seeing this potential makes automotive companies to intensively produce electric vehicles such as cars, motorcycles, buses, and even electric scooters. Electric scooters themselves are expected to be a short-distance transportation.

One of the technology companies from China, Xiaomi, participated in enlivening to produce this electric scooter product with the intention that Xiaomi is intensively tackling environmental problems. Xiaomi will begin an assessment of the product's carbon footprint to evaluate its business impact on the environment (Radius, 2020).

Although this is positive information, public buying interest in purchasing electric scooters is still relatively low. This is due to product quality, available infrastructure, product prices, social factors such as small communities, low public sensitivity to the environment, and public trust in the Xiaomi brand as a company that produces environmentally friendly products. Previous research explained that the role of consumption values and green trust can influence people's purchase intention for environmentally friendly products (green purchase intention). In this study, the determinants of consumption values used include functional value, social value, and emotional value.

## **Functional Value**

Functional value is always associated with the value of products received by consumers and meeting their expectations. This concerns the quality, durability, reliability, and price of the product (Zaidi S. M., Yifei, Bhutto, Ali, & Alam, 2019). An information for consumers related to the features and functions of the same product, but the price offered cheaper can increase



consumer confidence in a product. Therefore, functional value significantly affects green trust and green purchase intention (Dewi & Annas, 2022).

#### **Social Value**

Previous research has found that social influence also plays an important role as well as influencing a person's attitudes and intentions towards certain behaviors (Vongurai, 2020). Social value indicators in this study concern friends, family, communities, and environmental culture. Social value is seen as an important factor in building green trust because customers are very concerned about their social impressions (Dewi & Annas, 2022). Consumers will feel motivated if their environmental contributions are recognized or admired by others (Jamal & Firman, 2021).

#### **Emotional Value**

People who are emotionally sensitive to their environment, will show satisfaction in buying environmentally friendly products because it will increase confidence that buying these products can have a good impact on the environment (Amin & Tarun, 2020). In this study, emotional value indicators concern contribution to the environment, sensitivity to the environment, product aesthetics, and stylish feelings. According to Wong et. al (2018), Emotional value is defined as a consumer's feelings towards an item. When consumers feel emotional value to the product, they will enjoy using the product (Wong, Chang, & Yeh, 2018).

#### **Green Trust**

Green trust can be defined as the willingness to depend on a product or service based on consumer beliefs and expectations of the functionality, credibility, and usefulness of the product for environmental impact (Gil & Jacob, 2018). Consumer confidence is the basis for consideration and expectations from consumers that will lead to long-term purchase behavior. Green trust itself is the desire of consumers to use certain goods, services, and brands that are believed to have a positive impact on the environment (Rahardjo, 2015). Green trust in this study includes product performance to the environment, product credibility, meeting consumer expectations, trustworthy products or brands, reliable product performance.

## **Green Purchase Intention**

According to Amin and Tarun (2020), green purchase intention can be defined as the desire to act or behave in a certain way related to the consumption of environmentally friendly products (Amin & Tarun, 2020). Information related to environmental damage, global warming and others related to the environment, will have an impact on consumer behavior and affect their desire for environmentally friendly products (Awuni & Du, 2016). Indicators for green purchase intention in this study include buying because it is friendly to the environment, wanting to buy in the future, prices that are in accordance with the product, buying because it is energy efficient, avoiding air pollution. Zhuang et. al (2021) suggests that Green purchase intention is an important variable to measure current and future customer purchase decisions for environmentally friendly products (Zhuang, Lou, & Riaz, 2021).

Based on the background of the problem, the following hypothesis can be formulated:

- H1. Functional value has a significant influence on Green trust
- H2. Social values have a significant influence on Green trust
- H3. Emotional value has a significant influence on Green trust
- H4. Functional value, Social value, and Emotional value together have a significant effect on Green Trust
- H5. Functional value has a significant influence on Green Purchase Intention
- H6. Social value has a significant influence on Green Purchase Intention
- H7. Emotional value has a significant influence on Green Purchase Intention
- H8. Green Trust has a significant influence on Green Purchase Intention
- H9. Functional value, Social value, Emotional value, and Green Trust together have a significant effect on Green Purchase Intention

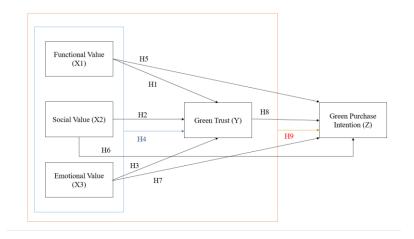


Figure 1 Research Constellation

## RESEARCH METHOD

This study intends to determine the relationship of functional value, social value, and emotional value to green purchase intention, through green trust on Xiaomi electric scooters in the Greater Jakarta area. This type of research is quantitative and descriptive research, and to show the relationship between variables and describe them, this research uses survey methods and literature review.

The population in this study amounted to 1100 based on one of the electric scooter communities called Electric Scooter Indonesia. The sampling technique used in this study is non-probability sampling with convenience sampling method. The determination of the number of samples in this study uses the calculation of indicators where the guidelines for calculating sample adequacy in this study are 5 to 10 times the estimated parameters (Hair *et al*, 2005). Based on the calculation of the number of samples also adjusted to the recommendations, it is known that the number of samples used in this study was 150 respondents who then collected data using an online questionnaire for testing. The collected data was processed using SPSS 22 software and structural analysis was processed using Lisrel 8.80.

## RESULT AND DISCUSSION

 Table 1 Descriptive Analysis of Respondents

| Category  | Total | Percentage |  |  |
|-----------|-------|------------|--|--|
| Gender    |       |            |  |  |
| Man       | 99    | 66%        |  |  |
| Woman     | 51    | 34%        |  |  |
| Domisili  |       |            |  |  |
| Jakarta   | 62    | 41%        |  |  |
| Bogor     | 37    | 25%        |  |  |
| Depok     | 10    | 6%         |  |  |
| Tangerang | 31    | 21%        |  |  |
| Bekasi    | 10    | 7%         |  |  |

## **Test Validity and Reliability**

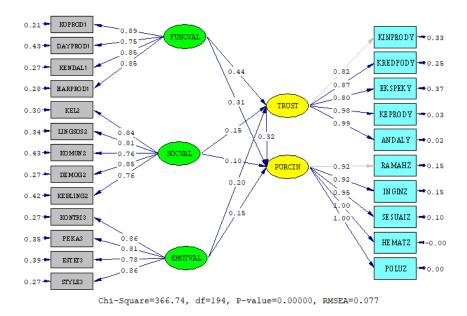


Figure 2 Standardized Solution Model

**Table 2** Variable Reliability Test

| Variabel                 | Nilai CR | Nilai AVE |
|--------------------------|----------|-----------|
| Functional Value         | 0.8983   | 0.6890    |
| Social Value             | 0.9227   | 0.7056    |
| Emotional Value          | 0.9306   | 0.7721    |
| Green Trust              | 0.9494   | 0.7913    |
| Green Purchase Intention | 0.9829   | 0.9202    |

Figure 2. shows that the loading factor value for each indicator of each variable has a value of  $\geq 0.50$ , therefore each variable can be declared to pass the validity test because it has met the requirements of standardized loading factors. Table 1. Showing that the CR value for all variables has exceeded the threshold of  $\geq 0.7$  and the AVE value  $>0.5\,$ , therefore it can be concluded that all research variables are considered reliable.

**Table 3** Goodness of Fit Index

| Measurement | Score | Criteria      | Keterangan |
|-------------|-------|---------------|------------|
| RMSEA       | 0.077 | <u>≤</u> 0.08 | Good Fit   |
| NFI         | 0.97  | ≥ 0.90        | Good Fit   |
| NNFI        | 0.98  | > 0.90        | Good Fit   |
| CFI         | 0.99  | ≥ 0.90        | Good Fit   |
| IFI         | 0.99  | ≥ 0.90        | Good Fit   |

Based on Table 3. Goodness of Fit Index, shows the result that all five model fit indicators have values that match the threshold value criteria. Therefore, it can be concluded that the 5 Goodness of Fit indicators have Good Fit values, so that the SEM model formed is already in the Good Model category.

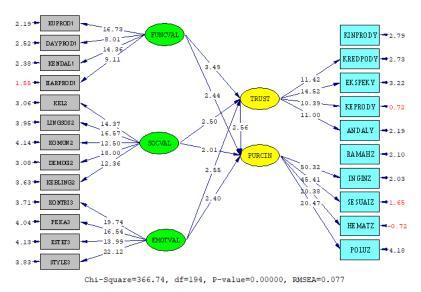


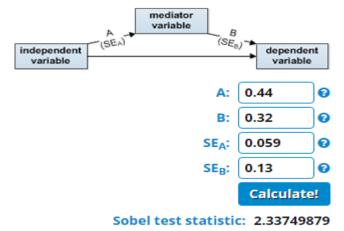
Figure 3 Model struktural t-values

Figure 3. Describe the results of structural model processing. This is to find out whether each research hypothesis is accepted or rejected. In structural model testing the t-count value must be greater than the t-table value for the hypothesis to be accepted. The value of the t-table in this study was 1.96.

#### **Sobel Test**

The sobel test is used to determine the effect of the mediation variable, namely green trust. In the following study, sobel testing was processed with Statistical Calculator 4.0 software.

# The Role of Green Trust Mediates the Effect of Functional Value on Green Purchase Intention



One-tailed probability: 0.00970663 Two-tailed probability: 0.01941326

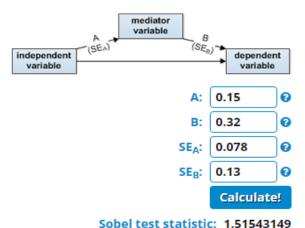
Figure 4

Sobel Test the effect of functional value on green purchase intention through green trust

Sobel test results in figure 4. Shows a t-count value of 2.337 which means > 1.96. So it can be concluded that Green Trust can mediate the effect of Functional Value on Green Purchase

Intention. These results are reinforced by Amin and Tarun's (2020) research which explains that lack of customer trust can limit consumer interest and behavior related to environmentally friendly product choices (Amin & Tarun, 2020).

# The Role of Green Trust Mediates the Effect of Functional Value on Green Purchase Intention

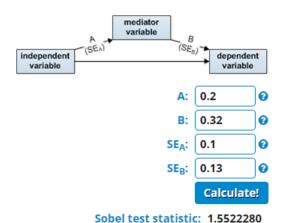


One-tailed probability: 0.06483158
Two-tailed probability: 0.12966317

Figure 5 Sobel Test the effect of Social value on green purchase intention through green trust

Figure 5. Indicates a t-count value of 1.515 which means < 1.96. So it can be concluded that Green trust cannot mediate the effect of Social Value on Green Purchase Intention. These results are in line with research from Dewi and Annas (2022) which explains that people prefer to trust their environmental advice to buy environmentally friendly products in order to gain social acceptance.

# The Role of Green Trust Mediates the Effect of Emotional Value on Green Purchase Intention



One-tailed probability: 0.06030384 Two-tailed probability: 0.12060768

Figure 6 Sobel Test the effect of Emotional value on green purchase intention through green trust

Figure 6. Indicates that the t-count value is 1.552 which means < 1.96. It can be concluded that Green trust cannot mediate the effect of Emotional value on Green Purchase Intention. These

results are in line with research by Putri and Pinandito (2023) which states that consumers emphasize the desire to get satisfaction immediately in influencing purchase intentions rather than trusting brands and products (Putri & Pinandito, 2023).

**Table 4** Hypothesis Test Results

| Hypothesis | Variable  | Standardized<br>Coefficient | t-count (≥ 1.96) | Statistical<br>Conclusion |
|------------|---|-----------------------------|------------------|---------------------------|
| H1         | Functional Value → Green Trust  | 0.44                        | 3.49             | Accepted                  |
| H2         | Social Value → Green Trust  | 0.15                        | 2.50             | Accepted                  |
| НЗ         | Emotional Value → Green Trust   | 0.20                        | 2.55             | Accepted                  |
| H4         | Functional value, Social Value,dan Emotional Value  Green Trust                             | $R^2 = 0.48$                | 5.18             | Accepted                  |
| Н5         | Functional Value — Functional Value Green Purchase Intention                                | 0.31                        | 2.44             | Accepted                  |
| Н6         | Social Value → Green Purchase Intention   | 0.10                        | 2.01             | Accepted                  |
| Н7         | Emotional Value   Green Purchase Intention  | 0.15                        | 2.40             | Accepted                  |
| H8         | Green Trust → Green Purchase Intention  | 0.32                        | 2.56             | Accepted                  |
| Н9         | Functional value, Social Value, Emotional Value, dan Green Trust → Green Purchase Intention | $R^2 = 0.55$                | 4.91             | Accepted                  |

Based on Figure 3. H1 has a t-count value of 3.49 which means > 1.96 which means the functional value has a significant influence on green purchase intention. Based on Figure 2. The most dominant indicator of the functional value variable is product quality of 0.89 where respondents feel interested in the quality of Xiaomi electric scooters both from the strength of the material, stable wheels, durable batteries, to easy maintenance. This makes prospective buyers more confident and believes that Xiaomi's electric scooter products are suitable for public use. The following results are reinforced by research from Zaidi et al (2019). According to him, companies can gain enough green trust by educating consumers about how the price of organic products is comparable to non-organic products and maintaining consistent quality standards (Zaidi S. M., Yifei, Bhutto, Ali, & Alam, 2019). Next, H2 has a significant influence between social value and green trust in Xiaomi electric scooters in the Greater Jakarta area. The t-count value in the second hypothesis is 2.50 which means > 1.96. Based on Figure 2. The most dominant indicator of the Social value variable is demographics with a value of 0.85. Respondents trust Xiaomi's electric scooter products thanks to the support of the environment around which they live. These factors include the number of users who use Xiaomi's electric scooter as an alternative vehicle. Xiaomi needs to take the opportunity to focus on the social and environmental impact of their products to increase consumer confidence in Xiaomi's electric scooters (Shoukat, Baig, Hussain, Rehman, & Shakir, 2021).

H3 in this study shows that there is a significant influence between Emotional value and green trust on Xiaomi electric scooters in Jabodetabek as illustrated in Figure 3. Based on the analysis of Figure 2. The most dominant indicators of the Emotional Value variable were "contribution to the environment" and "stylish feeling" with both values being 0.86. Xiaomi electric scooters are believed to be an option to drive environmentally friendly, can also increase consumer confidence that they will look fashionable by using Xiaomi electric scooters. If

customers believe that Xiaomi electric scooters can help overcome air and noise pollution, then Xiaomi will gain the trust of these consumers (Dewi &; Annas, 2022). Next, the fourth hypothesis has a significant influence between functional value, social value, and emotional value together on the green trust of Xiaomi electric scooters in Jabodetabek. The following results are reinforced by research from Jamal & Firman (2021). Where in their research suggests that functional value, social value, and emotional value have a significant influence together on green trust

The fifth hypothesis shows that there is a significant effect of functional value on the green purchase intention of Xiaomi electric scooters in Jabodetabek as shown in Figure 3. Respondents were attracted by the quality of Xiaomi electric scooters both from strong and stable materials, the use of durable batteries, to ease of maintenance. Hur et al (2021) stated that functional value has an influence on a person's purchase intention. The consumption value of environmentally friendly technology products can be perceived differently based on the level of consumer innovation (Hur, Yoo, & Chung, 2011). In H6 there is a significant influence of Social Value on Green Purchase Intention on Xiaomi electric scooters. Respondents feel interested in buying Xiaomi electric scooter products thanks to the support of infrastructure in the area around which they live such as undamaged roads, mileage, and fuel availability. Awuni & Du (2015) also stated that social value has a significant influence on green purchase intention. The intention of the community, especially the younger generation, to buy environmentally friendly products is based on social class and can involve consumption motives that go beyond the function of the product (Awuni & Du, 2015).

Furthermore, H7 shows that there is a significant influence between emotional value and green purchase intention. Respondents feel interested in buying Xiaomi electric scooter products thanks to the contribution of products that can minimize the use of gasoline-fueled vehicles and cause air pollution, also because respondents feel that they look more cool by the public because they use electric scooters. People consider buying eco-friendly products as their moral responsibility towards environmental preservation (Awuni & Du, 2015). Furthermore, the influence of Green Trust on Green Purchase Intention in H8 has a significant influence. Xiaomi scooters are believed to be used as an alternative to walking and practical to carry anywhere. Expectations and winding behavior towards the choice of environmentally friendly products can be influenced by the trust and confidence of buyers (Dewi & Annas, 2022). Then the H9 shows that there is a significant influence of functional value, social value, emotional value, and green trust together on the green purchase intention of Xiaomi electric scooters in Jabodetabek. These results are reinforced by previous research from Amin & Tarun (2021) which suggests that functional value, social value, emotional value, and green trust have a significant influence together on green purchase intention.

## **CONCLUSION**

Functional Value, Social Value, and Emotional Value have a significant influence on Green Trust both partially and simultaneously. Factors such as product quality, reliability, social environment, as well as people's emotions can be determinants of increasing consumer confidence in Xiaomi electric scooter products. The contribution of the three consumption values has a significant influence together on Green Trust by 48% and the remaining 52% is influenced by other variables that were not studied in this study.

Likewise, Functional Value, Social Value, Emotional Value, and Green Trust have a significant influence on Green Purchase Intention both partially and simultaneously. Respondents consider a quality, product durability, product reliability, to the price that suits the product in considering buying a Xiaomi electric scooter. Also factors of family, social environment, community, as well as demographics of respondents can increase the intensity of purchasing Xiaomi electric scooter products. In addition, its contribution to the environment, sensitivity to the environment, aesthetic feelings, and stylish feelings are determinants of people's increasing buying intentions for Xiaomi electric scooter products.

With the trust in Xiaomi products that are believed to be environmentally friendly, it can increase the intention or intensity of purchasing Xiaomi electric scooter products. The contribution of the three variables consumption value and green trust has a significant influence together on Green Purchase Intention by 55% and the remaining 45% is influenced by other variables that are not studied.

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