Green awareness and green purchase intention: The moderating role of corporate image

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Abstract. Customers’ awareness of environmental sustainability plays an important role in green purchase intentions. Understanding the buying behaviour of green products is particularly interesting since the corporate image builds customers trust and becomes a consideration to choose and purchase green products. This research aims to explore the influence of green awareness on the purchase intention of green products by considering the contingency effect of corporate image. The study used a survey questionnaire to collect responses from 155 respondents in Malang-East Java, Indonesia. The research was designed by using Structural Equation Modelling (SEM), Partial Least Square analysed the data. The results show that customers’ green awareness positively affects green purchase intention, while the corporate image was found to have a positive moderating role in the relationship. The research has indicated that corporate image can help develop consumers’ trust in the companies and influence the purchase intention of its product.

1. Introduction
The increasing public awareness of environmental issues develops an interest in green product studies. Pressure from stakeholders and community members urges the community to change their lifestyle more environmentally friendly way. Consumers often find choices related to the feeling of responsibility to the environmental issue in their daily lives [1, 2]. Interest in food products with eco-friendly characteristics has grown significantly in the last few decades. Awareness of being green has hit global consumers has become a community movement that brings a real impact. Therefore, it becomes a green consumerism movement of green products demand. Consequently, it further encourages companies to develop green marketing strategies to manifest social responsibility and a good corporate image. Green marketing is considered a business committed to developing safe and environmentally friendly products [3].

Green product is commonly called as an environmentally friendly product. Green products do not harm consumers; thus, it is suitable for consumers who have a high level of health-conscious. On the other hand, green products have better natural properties and greater health benefits [4]. Based on the survey of Brécard [5], it is noted that 83% of consumers in Europe consider the impact of products on the environment, and 75% of them tend to buy green products. Customers are willing to pay more for green products [6].
Similarly, 82% of people in the US continue to buy green products. With a raising in green consumer awareness, much attention is paid to green products. Generally, green marketing is designed to facilitate negative impacts on environmental damage and is a company’s strategy to develop green products to fulfil customer needs. In green marketing, marketers try to persuade consumers and influence their decision to give product reviews to develop green awareness [7].

A good quality product can increase consumer preferences, as it helps to increase customer satisfaction, retain existing customers and attract more potential buyers. Therefore, revealing the factors that become customer satisfaction is essential [8]. Corporate image is important to the marketing strategy in the marketing domain to increase market share, satisfaction, and customer loyalty. In general, corporate image is the customer’s perception regarding the quality of the company's products offered. Improving corporate image will increase corporate value. Furthermore, a favourable corporate image makes customers feel secure when buying products [9] and can form an effective differentiation that will determine the company’s success in the long term [10].

Previous research has discussed the relationship between green awareness and purchasing of green products, specifically customer attitudes toward green products. Several studies have noted a correlation between green awareness and green purchase intention [11, 12, 13, 14]. Although green marketing has become popular because it can increase green purchase intention, exploring the role of contingency corporate image in increasing purchases of green products has received less attention. Corporate image can only be formed in a long time, and it is difficult to imitate and strategic, so it will achieve a sustainable competitive advantage [15]. The corporate image builds customers’ trust. When the perceived corporate image is accepted, then what is in mind is that the company's product quality is good and able to satisfy the customers.

Consequently, they will accept the company's products and buy them [16]. Thus, it becomes very interesting to figure out the role of the corporate image toward the relationship between green awareness and green purchase intention. This study tries to build a relationship between green awareness and green purchase intention and provide a more comprehensive view of the role of the corporate image of this relationship. This study provides a strategic reference that explains the critical role of corporate image to build consumer trust, promote sales of green products and explore the challenges in dealing with global warming issues.

2. Literature review and development hypotheses

Green products, also known as environmentally friendly or eco-friendly products, are non-harmful products to both humans and the environment. The green product contains no or less hazardous materials and does not produce waste [17]. Consumer concern towards green issues is a worldwide topic that leads them to significantly change their lifestyle to become more environmentally responsible. As consumer awareness toward the benefits of green products increases, this also leads to the development of green consumerism, in which it grows consumers' concern on saving the world against global warming issues. Green awareness refers to concern and comprehension about environmental problems. Whereas, green awareness affects human behaviour in various ways, such as lifestyle changes, the preferences for green products that continue to increase, and how they become more concerned about environmental damage [7].

Basically, from the consumer's point of view, green awareness means reducing the consumption of conventional products and switching to environmentally friendly products [1, 18, 19]. Therefore, companies need to adjust their marketing strategy to become more proactive and understand in-depth the impact of green awareness on consumer behaviour that concerns green purchase intention [20]. Green marketing positively affects green belief, commitment, and behavioural integrity [21]. Many companies have exploited this to serve green-sensitive markets; thus, it encourages producers to convert environmentally production with higher premium quality [22].

Triverdi et al. [12] stated that research in customer behaviour environmental awareness are increasing rapidly. Generally, the study results conclude that there is a positive relationship between green awareness and green purchase intention [2, 14, 23]. Consumers choose environmentally friendly
products as a responsibility to the environment, family and society. People feel that buying green products is a responsible act that cannot be ignored and appreciate the environmental benefits. As an example, use reusable bags instead of disposable plastic bags. In addition, the perceived responsibility of consumers towards the environment makes them loyal to green products [23]. Consumers' perceived environmental responsibility has a high positive impact on the repurchase intention of green products.

Consumers easily shift to buy green products from other companies. Therefore, maintaining consumer loyalty is very crucial for companies. Besides, green value orientation plays a significant role for consumers. When consumers determine an environmentally friendly lifestyle, what is considered in choosing green products is that they generally tend to be more expensive than conventional products. Thus, it causes consumers to compare a green product’s eco-friendliness with its price. However, consumers predisposed to green products are willing to pay more for green products [6, 24]. Willingness to pay a premium price is the strongest predictor of purchasing green products since the price is an important aspect when consumers buy products. Consumers with a sense of responsibility towards the environment have the highest priority on personal satisfaction. In addition, the more benefits of green products make consumers believe that it will affect their purchase intention of green products [18]. Customer trust is considered a fundamental component that determines long-term customer behaviour and purchasing patterns [25]. Green trust can influence customer behaviour in green purchase intention [26, 27].

Corporate image has paid a lot of attention both in marketing practices and research. Corporate image is considered a model that accumulates over time and is continuously upgraded based on customer experience in receiving services or consuming products [28]. In general, it is said that corporate image is a term for consumers' perceptions, attitudes, emotions, beliefs, evaluations, and the overall impression of the company from both direct and indirect experience [29]. Corporate image is a comprehensive result of many factors that influence customers, specifically brand image [16, 30]. In particular, companies need to understand the role of corporate image and trust in customer behaviour because as customers make choices, they also actively collect relevant information and provide feedback to the company [30]. Moreover, Yadav et al. [15] pointed out that corporate image plays an important role in influencing customer buying behaviour.

Previous studies have proven that corporate image not only attracts customer purchase intention but also increases customers' recognition, satisfaction, and loyalty [23, 31]. Product quality is still a major priority for building a corporate image. If the product is safe for health, the customer will be more concerned. The company's strength and product quality become the basis for customers to make choices [32]. In addition, if customers have a good impression of the company, they are most likely to establish a long-term relationship with the company. Corporates “do good deeds” such as being active in environmental protection, paying attention to the community, and making charitable contributions, which will increase the customer's good impression of the company [30]. Therefore, setting up a good corporate image is an essential mission of green enterprises and consumer expectations. Thus, the hypothesis is:

H1. Green awareness is positively associated with green purchase intention

H2. Corporate image moderates the relationship between green awareness and green purchase intention

3. Methods
The survey was conducted in Malang, Indonesia, using a structured questionnaire with five-point Likert-type scales ranging from 1 (totally disagree) to 5 (totally agree). A total of 155 usable responses were further proceeded to statistical analysed. In estimating model fit, confirmatory factor analysis (CFA) was employed to examine the construct validity. Green awareness consists of three items which are referred to [7, 23]. The corporate image was measured with four items which were adopted from [7, 15, 30]. In comparison, green purchase intention focused on six items adopted
from [6, 7, 12, 23, 30]. The structural model was assessed to examine the hypothesis using the software WarpPLS 6.0.

4. Results and discussion

Table 1 shows that the measurement model of latent variables is valid and reliable, indicated by the loading factor value $> 0.5$ [33]. It means that the convergent validity of the measurement model is accepted. The value of composite reliability coefficients of the construct was all $> 0.6$, which are 0.789, 0.826, and 0.856, respectively, which indicates high internal reliability in the model. Similarly, the Cronbach-alpha coefficient of constructs was all $> 0.7$, 0.719, 0.717, and 0.795, respectively. That is a high internal consistency among constructs. Additionally, the value of Average Block Variance Inflation Factor (AVIF) and Average Full Collinearity VIF (AFVIF) are $< 5$, confirming that there is no multicollinearity [34]. The Goodness of Fit (GoF) model is 0.415 ($> 0.36$), representing that the model fit highly compatible explains the data [35].

| Constructs/items | Loading factor | Composite Reliability | Cronbach's alpha |
|------------------|----------------|-----------------------|------------------|
| **Green awareness (X1)** | | | |
| Responsibility to environmental issues | 0.785 | | |
| Avoid using products that are harmful to the environment | 0.788 | | |
| Always look for green products | 0.685 | | |
| **Corporate image (X2)** | | | |
| Good corporate image makes me believe in their products | 0.670 | 0.826 | 0.717 |
| Companies concerned with green practices | 0.839 | | |
| Have a good reputation in implementing green practices | 0.757 | | |
| Engage in community services | 0.672 | | |
| **Green purchase intention (Y)** | | | |
| Prefer green products over non-green products | 0.731 | | |
| Willingness to pay more for green products | 0.693 | | |
| Continue buying green products | 0.824 | | |
| Green products have long term benefits | 0.810 | | |
| Green products are generally trustworthy | 0.592 | | |
| Green product is always my first choice | 0.559 | | |
| GoF = 0.415; AVIF = 1.082; AFVIF = 1.741 |

Furthermore, Table 2 and Figure 1 demonstrated the influence of green awareness on green purchase intention ($\beta = 0.60; p$-value $< 0.01$), thus H1 was accepted. For H2, the moderating effect of the corporate image of the relationship between green awareness and green purchase intention ($\beta = 0.15; p$-value $= 0.03$) indicates that it is supported. This shows that corporate image moderates the relationship between green awareness and green purchase intention, enhancing the positive impact of that relationship. Additionally, the coefficient of determination ($R^2$) indicated that green awareness and corporate image explain 33% of green purchase intention variation. The value of $R^2$ is 0.67; 0.33; and 0.19, respectively categorised as substantial, moderate, and weak [36], so the data was expressed moderately.
### Table 2. Hypotheses testing.

| Variable correlations                        | Path coefficient | p-value | Description |
|----------------------------------------------|------------------|---------|-------------|
| Green Awareness $\rightarrow$ Green Purchase Intention | 0.60             | <0.01   | Supported   |
| Green awareness * corporate image $\rightarrow$ Green purchase intention | 0.15             | 0.03    | Supported   |

![Figure 1](image_url)  
**Figure 1.** Estimated model (X1=green awareness; X2= corporate image; Y=green purchase intention).

Green awareness is important in changing customer behaviour toward environmentally friendly products. As environmental issues increase and as an attempt in increasing customer awareness of environmental protection, consumers are paying more attention to consuming green products that are beneficial and harm the environment [1, 12, 33]. Customers with higher green awareness will be more careful in determining the choice of green products that are safe for health and the environment [37]. These results are in line with studies of [2, 11, 12, 14]. Green awareness is embedded in a person's behaviour; it will be the main internalised force in the long term. Compared to conventional products, customers understand that green products are more expensive because of its premium quality [22] as it also covers by some costs for consumers and good for human health [1, 2]. Customers with high green awareness will be willing to pay more for green products [6, 22]. Green purchase intention can be identified from consumer choices that are consistent with green products. Green purchase intention can be effectively controlled by green awareness.

Regarding the corporate image, the increasing demand for green products encourages companies to develop marketing strategies to show customers that they have a good corporate image and have social responsibility. Green marketing strategy initiated by the company, for example, carrying out community services activities, shows the company's concern and commitment to the environment that will consequently affect its corporate image [15, 30]. A favourable corporate image is considered a vital factor to influence behavioural intention and customer satisfaction. This is important in order to encourage the development of purchase intention and loyalty to their products.
The corporate image represents the company’s operational capability and competitiveness, builds customers’ trust, and influences product evaluations [18]. Therefore, the company can improve product quality and increase market share. Trust is essential in behavioural research. Generally, it is considered as a state of mind with a positive expectation of behavioural intention. Customers will identify corporate social responsibility activities, including the implementation of green practices, as a key factor in improving the green image so that it will positively impact the organisation's overall image [15]. When consumers perceive that the company fulfils their social responsibility, they are most likely to buy their product even at a higher price [6, 30]. A credible social responsibility company will establish a stronger relationship between customers and the community, and customers will be satisfied to consume their products. In addition, customers can judge that the company's products with a positive reputation are favourable.

5. Conclusions
Being green awareness means understanding how our behaviour can impact the environment. This also includes making changes in our activities to protect the environment, and encouraging many people to make lifestyle changes in a more environmentally friendly way. Understanding the buying behaviour of green products is very interesting because the corporate image builds customers’ trust and becomes a consideration for choosing and purchasing green products. The importance of corporate image is considered critical in the marketing strategy. This study explores the effect of green awareness on green purchase intention by considering the moderating role of corporate image. The result shows that green awareness is positively correlated with green purchase intention, while corporate image strengthens the mentioned relationship.

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