Environment Friendly Coffee Shop Intentions: How Does Peer Pressure Mediate Among Millennials?

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Abstract
This study aims to determine whether these products are environmentally friendly among millennials. The millennial generation occupies the second-largest position in coffee consumption. The above statement shows the importance of Indonesia focusing more on millennial consumers as a large and potential market for environmentally friendly products. This study aims to determine whether the product is environmentally friendly; in this case, the green coffee shop affects consumer buying interest with Peer Pressure as the mediating variable. This study used non-purposive sampling with snowball techniques. The questionnaire data was tested using Partial Least Square (PLS) from 255 millennial respondents in Indonesia. The results showed that Environmental Knowledge, Environmental Awareness, Social Values, and Eco-Friendly Labels influence Green Purchase Intention through Peer Pressure as an intervening variable. Thus, it can be said that millennial consumers positively influence environmentally friendly products to increase consumer buying interest further. In addition, our results also show that Peer Pressure mediates the relationship between Environmental Knowledge, Environmental Awareness, Social Values, and Green Labels on Green Purchase Intentions of millennial consumer groups in Indonesia.

Keywords— Green Marketing; Green Purchase Intention; Peer Pressure; Social Value

Abstrak

Kata kunci— Intensi membeli produk ramah lingkungan; Pemasaran ramah lingkungan; Nilai sosial; Tekanan teman sebaya
I. INTRODUCTION

Indonesia's population has increased in the last five years. According to the Central Bureau of Statistics, in 2015, Indonesia's population was 255.6 million, predicted that in 2045 the population would be 318.9 million. From these data, it can be concluded that population growth in Indonesia from 2015 to 2045 (Bappenas, BPS and UNFPA 2018) will increase, which will cause the consumption of goods and services to increase as well. Attempts to meet these requirements can result in enormous environmental damage (Chairy et al., 2020).

Currently, Indonesia ranks as the second-largest amount of plastic waste pollution after China. In 2019, the growth of the beverage processing industry reached 24.2% on an annual basis. According to (Nezakati et al., 2015), many consumers are starting to care about environmental conservation issues and have a sense of responsibility by incorporating environmental elements into their lifestyle. Millennials are the group of people who care most about the environment (Genoveva & Syahrivar, 2020). Various social communities welcome changes in human habits that tend to be hedonistic and consumptive through going green (Osiyo & Samuel, 2018).

Public awareness regarding environmental issues has encouraged companies to create more environmentally friendly products (Chairy et al., 2020). (Young, 2018) shows that the tendency of people to buy environmentally friendly products is increasing; Google Trends data shows that the search for the term "reusable and reusable cup" in Indonesia has increased in the last five years.

Broad awareness and interest in sustainable consumption are very effective when consumers buy (Wang et al., 2016; Rahman et al., 2020). Likewise, with trust, peer influence greatly increases environmentally friendly purchasing behaviour (Chairy & Alam, 2019). The argument from (Omar et al., 2015) suggests that people who become more aware of environmental problems are willing to purchase green products. This is based on several factors, such as environmental knowledge, an attitude that views the importance of the environment (Chairy & Alam, 2019), and advertisements about environmentally friendly products. It is very important to provide understanding to consumers about going green for sustainability. Companies need to support developing green brand knowledge for consumers about their products and provide accessibility of green information to consumers to increase the demand for green products (Suki, 2016; Dewi, 2017).

Fore Coffee is a start-up coffee shop that provides high-quality coffee and, at the same time, contributes to protecting the environment by using environmentally friendly packaging with the code number 5: PP (Polypropylene) or symbolised by a triangle and bearing the 4R logo (reduce, reuse, recycle, replace). Fore Coffee passed the certification test in January 2018 by Hongcai Testing Technology Co., LTD in Shenzhen, China (fore.coffee.com, 2020). The ingredients used to serve various menus at Fore Coffee are environmentally friendly materials. The concept of FOR Environment and FOR Ecosystem that was adopted shows that Fore Coffee has received the goodness of nature in the form of coffee plants and returns the same kindness to nature, from earth to earth.

The presence of Fore Coffee Shop in Indonesia has been responded to well. Currently, Fore Coffee Shop has 60 outlets that have been spread throughout Indonesia. The growth of Fore Coffee in Indonesia in recent years has experienced a positive trend in the world of beverage business. Since its establishment in August 2018, online to offline sales have served 10.000 sales of coffee a day, of which 85% of total sales are ordered through applications and delivered to customers. Then the second week of December, since the application was launched, Fore Coffee recorded significant sales growth from 19,000 to 300,000 cups of coffee per month (wartaekonomi.co.id). However, in 2020 fore coffee has decreased seen from the data on Google trends (Google, 2020).

Although growth continues to increase and experience a decline in 2020, it is still important to know the effect of environmental knowledge, awareness, social values, peer pressure, and environmental labels on beverage products. Suppose several variables are effective in increasing green purchase intention. In that case, beverage companies can later adjust them in response to the first data explaining the purchasing behaviour of consumers who prefer to buy products from environmentally responsible companies. Therefore, the company will continue to be able to meet demand and not lose its customers (Rahman, 2019).

Based on the background issues that have been discussed previously, the problem can be considered as follows:

1. The increasing human population in Indonesia every year results in increasing plastic waste, which is still an environmental issue in Indonesia today
2. The lack of awareness and knowledge of Indonesian people about green products
3. Entering the year 2020, based on google trend Fore Coffee sales were decreased
4. The decline experienced by Fore Coffee was accompanied by social distance (pandemic) and many other Coffee Shop competitors.
From the description above, the purpose of this study is to be interesting to analyse further whether environmental knowledge, awareness, social values, and the Eco label affect green purchase intention in Indonesian consumers through peer pressure as an intervening variable. This research will focus on Generation Y, the millennial generation (ages 19-38). The selection focuses on the millennial generation, which states that the millennial generation is the generation that dominates in Indonesia. In addition, the millennial generation also occupies the second position in consuming the most beverage products (Bachdar, 2016) and is the most environmentally conscious (Genoveva & Syahrivar, 2020). From the statement above, it can be seen that the importance of Indonesia is to focus more on millennial consumers as a broad and potential market.

II. LITERATURE REVIEW

Green Buying Intentions

Green buying intention can be defined as consumers’ actions to demonstrate their concern for the environment. The purpose of purchasing green means that there are some green features that consumers are most looking for compared to conventional products (Muhammad & Ratnasari, 2014). According to (Rahim et al., 2016), green purchase intention is the possibility of someone choosing products with environmentally friendly features compared to traditional products. Green buying intentions are an important aspect of green buying behaviour and suggest that consumers aim to buy green products when attracted to them. A person's awareness also influences the emergence of green purchase intention to return to nature and protect the nature of the problems. Green purchase intention is the possibility that consumers will buy certain results from their environmental needs and because of their desire to participate in protecting the environment (Ali & Ahmad, 2012; Halim & Kempa, 2016)

Green Marketing

The American Marketing Association (AMA) states that “green marketing is the marketing of products considered safe for the environment. Green marketing occurs because of a combination of various activities, including modifying products into new products and production processes, starting from packaging, changes, and various advertisements that have been designed (Chaudhary et al., 2011). Meanwhile, according to (Choudhary & Gokarn, 2013), green marketing is strategic management that cannot be separated and responsible. A process that supports human welfare or the environment (Rahayu & Levy, 2013) define green marketing as a strategic effort companies make t. According to (Wu et al., 2018), social value in the marketing approach describes the company's design, which consists of promotion, price, and distribution of products that support the environment (Nanere, 2010; Alamsyah, 2016). Green marketing consists of the four elements of the marketing mix: product, price, place, and promotion to sell the products and services offered using the environmental benefits created by waste management. The difference between the green and conventional marketing mix is in the environmental approach. The green marketing mix pays attention to environmental aspects, while the conventional marketing mix does not pay attention to environmental aspects (Kumathey, 2015; Mahmoud, 2018).

Environmental Knowledge

Argued that environmental knowledge is a person's basic knowledge about everything that can be done and pursued to help protect the environment by facilitating their behavioural commitment to green purchases (Lee, 2011; Noor et al., 2012; Ahmad et al., 2015). The importance of environmental knowledge in fostering pro-environmental behaviour and green buying cannot be generalised. (Saripah, Hussin and Zainudin 2013) Believe that environmental knowledge must be instilled through environmental education, which in turn must be embedded in the school syllabus, starting from the preschool level, to cultivate and spread a culture of environmental values and well-being among citizens. Furthermore, (Latif et al., 2013) said the environment would encourage residents to behave pro-environmentally. The Indonesian Ministry of Education continues to encourage efforts to include environmental education in the curriculum to support environmental sustainability (Pasaribu et al., 2022)

Meanwhile, according to (Kusuma & Handayani, 2018), Knowledge is a useful element and can directly influence how consumers collect and regulate how much information is used for decision-making and how consumers can choose and evaluate these products and services. However, the influence of environmental knowledge on green purchase intention has been found to influence green purchase intention for green products in their research (Maichum et al., 2017); this study attempts to include peer pressure as an intervening variable
that can strengthen the relationship between environmental knowledge and environmental knowledge. Hence, the first hypothesis is as follows:

H1: Environmental knowledge influence on consumers’ green purchase intentions at Fore coffee shops mediated by Peer Pressure

Environmental awareness

Environmental awareness is a multidimensional construction of knowledge, attitudes, and environmental preservation and protection actions (Azrai et al., 2017). A supporting statement was put forward by (Saricam and Sahin 2015, D. P. Alamsyah 2017; and Wijaya et al., 2019) state that the environment is a solution for someone to create a link between human activities and the surrounding environment to create a safe and healthy environment. Furthermore, according to (Ningrum & Herdiansyah, 2018; Chen, 2020), the environment is the formation of memory understanding through sensory stimulation, notification, identification, and perception. This environmental awareness shapes people's understanding and concern for the environment and related issues (such as waste disposal, noise pollution, air pollution, water pollution, soil pollution, ozone layer damage, greenhouse effect, and acid rain.

Based on previous research (Onurlubas, 2019), Environmental awareness has a weak but significant effect on green product buying behaviour. Meanwhile, (Setiyonovita & Syahrivar, 2017) found that green awareness is related to the intention of green practice. These attempts include peer pressure as an intervening variable that can strengthen the relationship between environmental awareness and green purchase intention due to limited awareness of environmental problems and the lack of environmentally friendly products. Therefore, the second hypothesis is as follows:

H2: Environmental Awareness influence on the Green Purchase Intentions of consumers at the Fore coffee shop mediated by Peer Pressure

Social Value

Values are guiding principles that form the basis of beliefs, attitudes, and individual behaviour (Jam et al., 2019). Meanwhile, social values can be reflected by friendship, social support, and intimacy, obtained through a person's involvement and communication with other members (Vock et al., 2013). As a result, social value can be a differentiating factor in a competitive market, so it must be treated as a meaningful and independent aspect that complements traditional utilitarian and hedonic value perspectives (Wu et al., 2018).

Along the same line, social value, according to (Sinkovics et al., 2014), is creating social values to benefit others and their environment. According to (Wu et al., 2018), social value is the value of developing, expanding, and maintaining consumer relationships. Social values will help influence consumer purchase intentions because they meet consumers' social motivations, such as familiarising themselves with like-minded members, interacting with others, and reference group affiliations (Chiu et al., 2012). Hence, the third hypothesis is as follows:

H3: Social Value influence on the Green Purchase Intentions of consumers at the Fore coffee shop mediated by Peer Pressure.

Eco-Label

Eco-labelling is a tool that can help consumers decide which products are environmentally friendly and inform them how they are made. Green labelling can also allow companies to enter and gain a distinct market share. A good eco-label program will examine the entire product life cycle, from the process of production, distribution, and use to disposal (Muslim & Indriani, 2014) (Fuerst & Shimizu, 2016; Alamsyah et al., 2019)

Based on the research results of (Priyayi et al., 2018) and (Muslim & Indriani, 2014), environmentally friendly labels are now widely used as an environmentally friendly marketing tool to influence consumer perceptions of the existence of environmentally friendly products. Therefore, they can lead consumers to buy environmentally friendly ones. Ecolabel also positively and significantly affects green purchase intention (Kong et al., 2014). The same conclusion comes from (Yamaqupta, 2018) by adding peer pressure as a mediating variable, which shows that peer pressure strengthens the relationship between environmentally friendly labels and the intention to buy environmentally friendly products. Thus, our fourth hypothesis is:

H4: Eco Label influence on consumers' Green Purchase Intention at Fore coffee shop mediated by the Peer Pressure
Peer pressure is the influence exerted by a peer group or individual that encourages others to change their attitudes, values, or behaviour to conform to the group norms. Peer pressure has both direct and indirect effects on the peer group. A person influenced by peer pressure does not necessarily want to be part of this group but tends to be affected (Manase, 2012; Maina, 2015; Gulati, 2017). For some adults, peer groups can provide security, learning opportunities, and encouragement. The difference between negative and positive peer pressure is how it affects the person.

Based on the research (Sharaf & Isa, 2017), peer pressure influences the intention of young consumers to buy environmentally friendly products. This happens because of the characteristics of social groups where people have the same thoughts, desires, and habits so that they can support environmentally friendly behaviour (Rehman & Dost, 2013). Based on these conclusions, our fifth hypothesis is:

H5: Peer Pressure has a significant effect on the Green Purchase Intentions of consumers in the Fore Coffee shop

Based on all of the hypotheses above, the theoretical framework of this research can be seen in Figure 1 underneath:

III. RESEARCH METHODOLOGY

This research is quantitative research with a research instrument in the form of a questionnaire. Quantitative research is a research method based on the positivism paradigm used to investigate certain populations or samples (Sugiyono, 2017). The population in this study is Generation Y, the millennial generation (aged 19-38 years) who have bought Fore coffee and live near the Fore Coffee Shop branches, namely in Jakarta, Depok, Tangerang, and Bekasi. The number of samples in this study is an indicator multiplied by 5-10 (Hair et al., 2016). The indicator in this study was 31. Therefore, the minimum sample was 155, and the maximum was 310. We got 255 respondents who participated in this study.

The sampling method used is non-probability sampling, where each population unit in a non-probability sample does not have the same opportunity to participate as a sample (Hair et al., 2014). Data were analysed using Partial Least Square (PLS). PLS is SEM structural equation analysis, SEM is a collection of statistical techniques that allows testing a series of relatively complex relationships simultaneously. This complex relationship can be interpreted as a series of relationships that are built between one or more dependent (endogenous) variables and one or more independent (exogenous) variables, and these variables are factors or constructs built from several indicators that are directly observed or measured (Hair et al., 2014).

IV. RESULT/ FINDING

Respondent profile

There were 255 respondents in this study who had bought and used environmentally friendly products, and they belong to the 19-38 years category. The number of respondents based on gender consisted of 24% male and 76% female. Based on marital status, 91% of the respondents were married, and 9% were single. The largest number based on education is undergraduates at 49%, followed by senior high schools at 42%, and the remaining 9% have diplomas or graduate programs. Based on occupation, the number that dominates is employees, as much as 61%, followed by students at 33%, and the remaining 6% are self-employed.
Model Testing (Outer Model)

There are three criteria for using data analysis techniques with SmartPLS to assess the external model: convergent validity, discriminant validity, and composite reliability. Convergent validity is declared fulfilled if the loading factor value is > 0.5 (Ghozali, 2016). Figure 2 below shows that the outer loading value of each indicator shown is valid because they are > 0.05, meaning they can be used for further analysis.

![Figure 2. Loading Factors (Source: SmartPLS, 2021)](image)

Discriminant Validity

The cross-loading value for each variable indicator is greater than the cross-loading value if managed with other variables. This means that each latent variable had a good discriminant validity where several variables have a highly correlated measure with other constructs. Table 1 shows that all values are greater than the cross-loading value, meaning they can be used for further analysis.

<table>
<thead>
<tr>
<th>Environmental Knowledge</th>
<th>Environmental Awareness</th>
<th>Social Value</th>
<th>Eco Label</th>
<th>Peer Pressure</th>
<th>Green Purchase Intention</th>
</tr>
</thead>
<tbody>
<tr>
<td>EK1 0.711</td>
<td>0.272</td>
<td>0.349</td>
<td>0.395</td>
<td>0.313</td>
<td>0.443</td>
</tr>
<tr>
<td>EK2 0.592</td>
<td>0.429</td>
<td>0.323</td>
<td>0.427</td>
<td>0.187</td>
<td>0.509</td>
</tr>
<tr>
<td>EK3 0.763</td>
<td>0.251</td>
<td>0.323</td>
<td>0.559</td>
<td>0.448</td>
<td>0.449</td>
</tr>
<tr>
<td>EK4 0.860</td>
<td>0.370</td>
<td>0.442</td>
<td>0.506</td>
<td>0.519</td>
<td>0.466</td>
</tr>
<tr>
<td>EA1 0.387</td>
<td>0.773</td>
<td>0.452</td>
<td>0.427</td>
<td>0.227</td>
<td>0.522</td>
</tr>
<tr>
<td>EA2 0.308</td>
<td>0.824</td>
<td>0.545</td>
<td>0.405</td>
<td>0.246</td>
<td>0.470</td>
</tr>
<tr>
<td>EA3 0.321</td>
<td>0.750</td>
<td>0.513</td>
<td>0.430</td>
<td>0.135</td>
<td>0.527</td>
</tr>
<tr>
<td>EA4 0.347</td>
<td>0.839</td>
<td>0.498</td>
<td>0.349</td>
<td>0.187</td>
<td>0.529</td>
</tr>
<tr>
<td>EA5 0.324</td>
<td>0.825</td>
<td>0.567</td>
<td>0.357</td>
<td>0.227</td>
<td>0.517</td>
</tr>
<tr>
<td>SV1 0.443</td>
<td>0.661</td>
<td>0.799</td>
<td>0.598</td>
<td>0.424</td>
<td>0.590</td>
</tr>
<tr>
<td>SV2 0.462</td>
<td>0.409</td>
<td>0.757</td>
<td>0.573</td>
<td>0.520</td>
<td>0.409</td>
</tr>
<tr>
<td>SV3 0.356</td>
<td>0.606</td>
<td>0.747</td>
<td>0.453</td>
<td>0.403</td>
<td>0.521</td>
</tr>
<tr>
<td>SV4 0.400</td>
<td>0.467</td>
<td>0.811</td>
<td>0.561</td>
<td>0.457</td>
<td>0.582</td>
</tr>
<tr>
<td>SV5 0.281</td>
<td>0.252</td>
<td>0.656</td>
<td>0.392</td>
<td>0.403</td>
<td>0.283</td>
</tr>
<tr>
<td>SV6 0.425</td>
<td>0.549</td>
<td>0.798</td>
<td>0.495</td>
<td>0.447</td>
<td>0.558</td>
</tr>
</tbody>
</table>
Pressure of 52.9% can explain Green Purchase Intention variable. It indicates sufficient convergent validity for all constructs. The value of Composite Reliability and AVE shows that the percentage of the magnitude of peer pressure can be explained by variable EK (Environment Knowledge), EA (Environment Awareness), EL (Eco Label), and SV (Social Value) of 37.6%. Then for the R-Square value obtained by the Green Purchase Intention variable, it is 52.9%. This value explains that a Peer Pressure of 52.9% can explain Green Purchase Intention.

Table 2 shows that the composite reliability value indicated that it was greater than 0.7, and Cronbach's alpha value was greater than 0.7. Likewise, the AVE value ranges from 0.524 - 0.668 recommended threshold of 0.5 (Hair et al., 2014). Indicating sufficient convergent validity for all constructs. The AVE value of the Environmental Knowledge, Environmental Awareness, Social Value, Eco Label, Peer Pressure and Green Purchase Intention variables is > 0.5. Thus, it can be stated that six variables are declared good. Table 2 shows that all latent variables measured in this study have Cronbach’s Alpha and Composite Reliability greater than 0.7, so it can be said that all latent variables are reliable.

<table>
<thead>
<tr>
<th>Variable</th>
<th>AVE Score</th>
<th>Composite Reliability</th>
<th>Cronbach’s Alpha</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Env. Knowledge (X₁)</td>
<td>0.544</td>
<td>0.824</td>
<td>0.877</td>
<td>Valid</td>
</tr>
<tr>
<td>Env. Awareness (X₂)</td>
<td>0.645</td>
<td>0.901</td>
<td>0.864</td>
<td>Valid</td>
</tr>
<tr>
<td>Social Values (X₃)</td>
<td>0.582</td>
<td>0.893</td>
<td>0.855</td>
<td>Valid</td>
</tr>
<tr>
<td>Eco Label (X₄)</td>
<td>0.668</td>
<td>0.890</td>
<td>0.834</td>
<td>Valid</td>
</tr>
<tr>
<td>Peer Pressure (Y)</td>
<td>0.524</td>
<td>0.868</td>
<td>0.819</td>
<td>Valid</td>
</tr>
<tr>
<td>Green Purc. Intention (Z)</td>
<td>0.527</td>
<td>0.886</td>
<td>0.852</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Source: SmartPLS, 2021

Evaluation of the Structural Model (Inner Model)

The inner model test or structural model is tested to see the relationship between the constructs, the significance value, and the R-square of the research model. The value of R-Squared (R²) measures how much influence a certain independent latent variable has on the dependent latent variable. Based on the data presented in Table 3 below, it can be seen that the R-Square value for Peer Pressure is 0.376. The acquisition of this value explains that the percentage of the magnitude of peer pressure can be explained by variable EK (Environment Knowledge), EA (Environment Awareness), EL (Eco Label), and SV (Social Value) of 37.6%. Then for the R-Square value obtained by the Green Purchase Intention variable, it is 52.9%. This value explains that a Peer Pressure of 52.9% can explain Green Purchase Intention.
Table 3. Value of R-Squared

<table>
<thead>
<tr>
<th>Variable Value</th>
<th>Assessment</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peer Pressure</td>
<td>0.376</td>
<td>Mediate</td>
</tr>
<tr>
<td>Green Purchase Intention</td>
<td>0.529</td>
<td>Mediate</td>
</tr>
</tbody>
</table>

Source: SmartPLS, 2021

The goodness of fit test (Q-Square)

The assessment is goodness of fit known from the Q-Square value. Q-Square has the same meaning as the coefficient of determination (R-Squared) in the regression analysis. Where the higher Q-Square, the model gets better or fits with the data. The result of the calculation of the Q-Squared value is as follows:

\[
Q\text{-Square} = 1 - \left[ (1 - R^2_1) \times (1 - R^2_2) \right] \\
= 1 - \left[ (1 - 0.376) \times (1 - 0.529) \right] \\
= 1 - \left[ (0.624 \times 0.471) \right] \\
= 1 - 0.293904 \\
= 0.706096
\]

Based on the results of the above calculations, the value is Q-Square 0.706096. This shows that the large diversity of research data is 70.7%. Meanwhile, the remaining 29.4% is explained by other factors outside of this research model. Thus, from these results, this research model can be said to have a goodness of fit.

Path Coefficients

Path coefficient evaluation shows how strong the independent variable’s influence is on the dependent variable. Based on the data presentation in Table 4 below, it can be seen that from 4 independent hypotheses and one intervening variable proposed in this study, the Environmental Knowledge (X₁) variable on Peer Pressure is accepted because it has a P-value of 0.015 < alpha (0.05). Then the Variable Environmental Awareness (X₂) on Peer Pressure is accepted because it has a P-value of 0.004 < alpha (0.05). The third variable Social Value (X₃) on Peer Pressure, is accepted because it has a P-value of 0.000 < alpha (0.05). For the Eco-Label variable (X₄) on Peer Pressure, it is accepted because it has a P-value of 0.000 < alpha (0.05). This means that the empathy variable significantly affects Peer Pressure (M). The last variable intervening (Peer Pressure) on Green Purchase Intention is also accepted because it has a P-value of 0.000 > alpha (0.05).

Table 4. Path Coefficients

<table>
<thead>
<tr>
<th>Variable</th>
<th>Original Sample</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation</th>
<th>T Statistic</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Knowledge &gt; Peer Pressure</td>
<td>0.180</td>
<td>0.185</td>
<td>0.074</td>
<td>2.445</td>
<td>0.015</td>
</tr>
<tr>
<td>Environmental Awareness &gt; Peer Pressure</td>
<td>-0.253</td>
<td>-0.229</td>
<td>0.088</td>
<td>2.868</td>
<td>0.004</td>
</tr>
<tr>
<td>Social Value &gt; Peer Pressure</td>
<td>0.360</td>
<td>0.355</td>
<td>0.090</td>
<td>3.992</td>
<td>0.000</td>
</tr>
<tr>
<td>Eco Label &gt; Peer Pressure</td>
<td>0.432</td>
<td>0.430</td>
<td>0.094</td>
<td>4.585</td>
<td>0.000</td>
</tr>
<tr>
<td>Peer Pressure &gt; Green Purchase Intention</td>
<td>0.613</td>
<td>0.628</td>
<td>0.049</td>
<td>12.440</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: SmartPLS, 2021

Hypothesis Test

Hypothesis testing in this study was carried out by looking at the T-Statistics and P-Values values. The research hypothesis can be declared accepted if the P-Values value <0.05. The following (Table. 5) are the results of hypothesis testing obtained in this study:

Table 5. Hypothesis Testing

<table>
<thead>
<tr>
<th>Hypothesis Relationship</th>
<th>SD</th>
<th>t-value</th>
<th>p-Values</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₁: Env. Knowledge &gt; Peer Pressure &gt; Green Purchase Intention</td>
<td>0.050</td>
<td>2.223</td>
<td>0.027</td>
<td>Supported</td>
</tr>
<tr>
<td>H₂: Env. Awareness &gt; Peer Pressure &gt; Green Purchase Intention</td>
<td>0.053</td>
<td>3.976</td>
<td>0.004</td>
<td>Supported</td>
</tr>
</tbody>
</table>

163
H₃: Social Value > Peer Pressure > Green Purchase Intention 0.057 3.895 0.000 Supported
H₄: Eco Label > Peer Pressure > Green Purchase Intention 0.067 3.976 0.000 Supported
H₅: Peer Pressure > Green Purchase Intention 0.049 12.440 0.000 Supported

Source: SmartPLS, 2021

V. DISCUSSION

All of the hypothesis tests are done using the results of bootstrapping. This means that the mediation parameter is significant. Therefore, the indirect effect model of the Environmental knowledge on Green Purchase Intention through Peer Pressure as a mediating variable can be accepted (H₁) because it has a P-value 0.027< alpha (0.05). This study (Yamaqupta, 2018) concluded that Peer Pressure can mediate the effect of perceived environmental responsibility and intention to purchase green products even though the effect is not strong. The other researchers (Maichum et al., 2017) stated the same result in the context of Thailand’s green food purchase intention.

Our second hypothesis (H₂), Environmental Awareness of Green Purchase Intention with peer pressure as a mediating variable, shows a significant positive relationship. Millennials aware of green coffee shops will tend to have a peer-influenced buying desire. The influence of peers is very important to respondents in their social behaviour, including buying decisions (Syarief & Genoveva, 2015). The results of this study (Yamaqupta, 2018) concluded that Peer Pressure can mediate the influence of environmental responsibility and intention to buy environmentally friendly products even though the effect is not strong.

Our third hypothesis (H₃) proves that the effect of Social Value on Green Purchase Intention with Peer Pressure as a mediating variable shows a significant positive relationship. The results of this study (Yamaqupta, 2018) concluded that Peer Pressure can mediate the effect of perceived environmental responsibility and intention to purchase green products even though the effect is not strong.

The effect of Eco Label on Green Purchase Intention with Peer Pressure as a mediating variable shows a significant positive relationship (H₄). The results of this study are by (Yamaqupta, 2018) research which concluded that Peer Pressure can mediate the effect of perceived environmental responsibility and intention to purchase green products even though it does not have a strong confluence.

Our fifth hypothesis (H₅) proves that Peer Pressure influences Green Purchase Intention. The result of this study is research from (Muhammad & Ratnasari, 2014). The same result also comes from (Sharaf & Isa, 2017) in the context of Malaysian customers; they concluded that peer pressure significantly influences green purchase intention. Peer pressure has an important influence on millennials’ intention to buy environmentally friendly products. Millennials are the generation that has the most attention to environmentally friendly products (Genoveva & Syahrivar, 2020).

VI. CONCLUSION AND RECOMMENDATIONS

Based on the study’s results, environmental knowledge positively impacts purchasing decisions mediated by peer pressure. This conclusion can encourage the efforts of the government and educational institutions to conduct environmental education, either by conducting webinars, campaigns or incorporating it into the curriculum. Therefore, environmental knowledge can be started from the younger generation. Environmental knowledge instilled from an early age can increase environmental awareness and the social value of the younger generation so that they have responsibility for the environment.

Companies can play a role by introducing environmentally friendly products, both in the use of packaging (eco-labels) and the production process, to the sales process that is environmentally friendly so that it creates community participation that does not just buy a product but also participates in environmental conservation efforts.

Besides that, peer pressure has a significant effect on green purchase intention. The peers in this study are the millennial generation, which is also a generation that has an awareness of environmentally friendly
products. This fact shows that the millennial generation can play an important role in environmental preservation; they are also the generation that will lead in various fields. Therefore, the environment’s future is expected to be better. On the other hand, for entrepreneurs, this research shows that there are still many business opportunities for environmentally friendly products. The demand for environmentally friendly products is very good, and there is optimism about the future growth of the green market.

The limitation of this research is that the exclusive respondents, namely the millennial generation, for future research can be changed to the Z generation, a younger generation than the millennial generation, which is also the next generation. For future studies, it is important to undertake a more in-depth study of the variables associated with environmentally friendly products and peer pressure across different contexts, locations, regions and with broader respondents across the country. Additionally, the results indicate that other factors have not been investigated in this study. Therefore, future research may use different variables such as the product’s country of origin, customer trust, and the influence of religion.

REFERENCES


