



The Effect of Green Product to the Purchase Decision Mediated by Brand Image of IKEA Product in Kabupaten Bekasi

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ABSTRACT

This study aims to analyze the impact of Green Products on Purchase Decisions, with Brand Image as a mediating variable. A quantitative approach was used by distributing questionnaires to 384 respondents in Bekasi Regency, who are consumers of IKEA products. Data analysis was performed using SmartPLS 3.0 software. The results of the study show that Green Products have a significant and positive impact on Purchase Decisions, both directly and through the mediation of Brand Image. Directly, Green Products enhance consumers' purchase decisions. Furthermore, Brand Image plays an important role as a mediator that strengthens the relationship between Green Products and Purchase Decisions. These findings suggest that environmentally friendly products not only attract consumer interest but also build a positive brand image. This positive brand image, in turn, contributes to the increase in consumers' purchase decisions for IKEA products. Therefore, focusing on the development and marketing of environmentally friendly products can be an effective strategy to enhance competitiveness and customer loyalty.

Keywords: Green Product, Brand Image, Decision Buying

BACKGROUND

The environment is one of the crucial issues that needs attention, because there are still many people who don't care about it. In fact, if environmental damage is left unchecked, the impact will be very detrimental to human life. Bad habits such as littering and leaving it scattered are the main causes of this problem being ignored by some people. We must realize that without a healthy environment, the risk of various diseases will increase, which can ultimately hinder our various activities. Don't let regret come later. We can overcome concerns about environmental damage, as long as there is a will and a shared commitment to protect and care for it. (Kompasiana, 2022).

Public awareness of the importance of protecting the environment is increasing along with the increasing environmental damage, especially in Indonesia. This can be seen from the increasing number of people who are starting to bring their own shopping bags when shopping as an effort to reduce the use of plastic (Gramedia, 2022). As a

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wise society that cares about environmental issues, this is indicated by several residents who are currently starting to use their own shopping bags to reduce the use of plastic. For producers, this can be an opportunity to meet the needs and desires of the community, by switching to using environmentally friendly raw materials in the manufacture of products and their packaging. this is known as Green Products. Green Products offer an alternative in the form of products that are produced using organic materials, save energy, eliminate toxic substances, and reduce pollution and waste (Hanifah et al., 2019). For business actors, this can be an opportunity to meet the needs and desires of the community by switching to the use of natural and environmentally friendly raw materials, both in product manufacturing and packaging.

Competition in the business world is getting tighter in the era of globalization, so the concept of Green Products has emerged, namely products that are safe for humans and the environment. This product is also designed so that it does not waste resources, does not produce excessive waste, and does not involve cruelty to animals. Therefore, many companies have begun to adopt environmental issues as part of their marketing strategy, known as green marketing or Green Products (Makatumpias et al., 2018)

The high level of competition indicates the large number of similar product brands circulating in the market. This causes competition between brands to become competitive. Therefore, it is very important for companies to build a positive brand image in the eyes of consumers. According to (Tjiptono & Chandra, 2016), brand image is the consumer's perception of their beliefs and associations with a brand. The better the image of a brand, the more likely consumers are to decide to buy the product. However, in today's era, creating a positive brand image is not easy for marketers (Arianty & Andira, 2021).

The furniture industry continues to show positive growth prospects (Prasetya, 2017). Furniture is furniture that has an important function and can be moved to complement spaces such as homes, offices, and other places (Natalia, 2022). Furniture is one of the important elements in everyday life, because almost every building, be it a house, shop, or office, always needs furniture (Digna, 2022). Amid increasing environmental problems, Swedish furniture retailer IKEA has taken steps by using wood materials from sustainably managed forests and utilizing recycled materials in its production (Jessica, 2022). IKEA also strongly emphasizes the principle of sustainable living. Some of the environmentally friendly products produced by IKEA include Kungsbacka cabinet doors made from recycled plastic bottles, Alseda and Tating seat cushions made from banana fiber, and Odger swivel chairs that use renewable wood and recycled plastic as their main materials (Pratiwi, 2021).

In accordance with IKEA's slogan, "creating a better everyday life for the many people," they implement efficiency measures in the use of water and energy in their services and store operations (Pratiwi, 2021). IKEA even launched an LED lighting product that can save up to 85 percent of energy compared to conventional bulbs, has a more modern design, and a durability of up to 20 years (Pratiwi, 2021). In addition, IKEA also offers Kasebraga products, which are designed to support an environmentally friendly lifestyle, such as bags and backpacks made from recycled marine waste (Sambas, 2023).

**Table 1. IKEA Sustainable Development Program Report 2023**

Sustainable Development Progress Results IKEA 2023	
No	
1	Strengthening IKEA's climate goals and actions to align with the 1.5°C target trajectory.
2	Reducing our climate footprint, in absolute terms compared to FY16 baseline, by 6.9 million tonnes of CO2 equivalent, a reduction of 22%.
3	Increasing the share of renewable electricity—from 75% to 77% for retail, from 86% to 90% for logistics services, and from 63% to 71% for production—compared to FY22.
4	Implementing the use of new bio-based adhesives, starting at IKEA Industry's board factory in Kazlų Rūda, Lithuania, is an important first step towards our goal of reducing greenhouse gas emissions from adhesives by 30% by FY30.
5	Launching an energy saving awareness campaign in 21 IKEA markets globally, with an emphasis on small, cost-effective actions at home to reduce energy consumption.
6	Reduce the amount of plastic packaging for consumer goods by approximately 47% and reduce total plastic packaging (including consumer packaging, multipacks, unit loads and handling materials) by approximately 44% compared to the FY21 base year.
7	For the first time, using ceramic production waste to create a new range of tableware, SILVERSIDA.
8	Introducing plant-based hot dogs in 14 markets, adding more plant-based alternatives to our food offerings.
9	Launching an initiative to accelerate biodiversity assessments in FSC-certified forests to measure impacts more broadly and improve biodiversity outcomes.
10	Taking an important step towards our FY30 commitment to provide and support living wages by sharing our Responsible Wage Practices framework across the IKEA business.
11	Supporting nearly 3,000 asylum seekers and refugees from 2019 to 2023 through the Skills for Jobs programme at IKEA retail, with 54% of them successfully finding employment, either within or outside IKEA.

Source: IKEA Website – Sustainability Report FY23

In addition to its efforts to maintain environmental and social sustainability, IKEA has installed 700,000 solar panels on its buildings worldwide and is committed to owning and operating 224 wind turbines. In Indonesia, IKEA also offers the use of environmentally friendly IKEA Blue Bags as an alternative to plastic bags. All proceeds from the sale of these Blue Bags will be donated to local water and waste sanitation projects (ikea.com, 2016). Previous research on environmentally friendly products has been mostly conducted in the cosmetics, food, or everyday product sectors, such as those discussed by (Makatumpias et al., 2018) who examined the influence of Green Product and Brand Image on purchasing decisions for cosmetic products, and research by (Hanifah et al., 2019) also explored the influence of Green Product and price on purchasing decisions for Tupperware products.

However, research in the furniture industry, especially those that adopt the concept of sustainability such as IKEA, is still rare. This opens up a research gap regarding consumer acceptance of environmentally friendly products in the furniture sector, especially in Indonesia. Therefore, this study aims to explore the influence of Green Products on purchasing decisions in the furniture industry, with a case study of

IKEA products in Bekasi Regency, and to evaluate the role of Brand Image as a mediating variable in this context.

LITERATURE REVIEW

Green Product

Green products are environmentally friendly products, do not pollute, and can be recycled or do not waste natural resources. This product plays a role in saving energy, protecting and improving environmental conditions, and reducing or eliminating the use of toxic substances, pollution, and waste Shabani (2013) quoted from Ahmad et al (Ahmad et al., 2016). According to Ottman (2010:5) in Ahmad et al., (Ahmad et al., 2016), green products also have characteristics such as being durable, safe for health, and packaged with recyclable materials. Based on this definition, it can be concluded that green products are products that are not only beneficial to users, but also do not damage the environment.

Brand Image

According to Aaker (1994) in Miati (Miati, 2020), brand image is a collection of associations embedded in the minds of consumers about a brand, and is usually structured into an understanding. Brand image is also defined as the perceptions and beliefs stored in the minds of consumers, which reflect the associations they remember. According to Sutisna (2003:83) in Pradana et al., (Pradana et al., 2019), brand image is the overall perception of a product or brand that is formed based on information and past experiences that consumers have with the product or brand.

Purchase Decision

Purchasing Decisions According to Kotler & Armstrong (2012) in Br Marbun et al (Br Marbun et al., 2022), purchasing decisions solve personal problems by choosing behavioral options, and by taking the first step in the decision-making process, determining the most appropriate purchasing decision is considered an action. (Tjiptono, 2016), purchasing decisions have now become part of consumer behavior. Consumer behavior refers to actions directly related to the purchase and identification of products and services, and includes the decision-making process before and after the action.

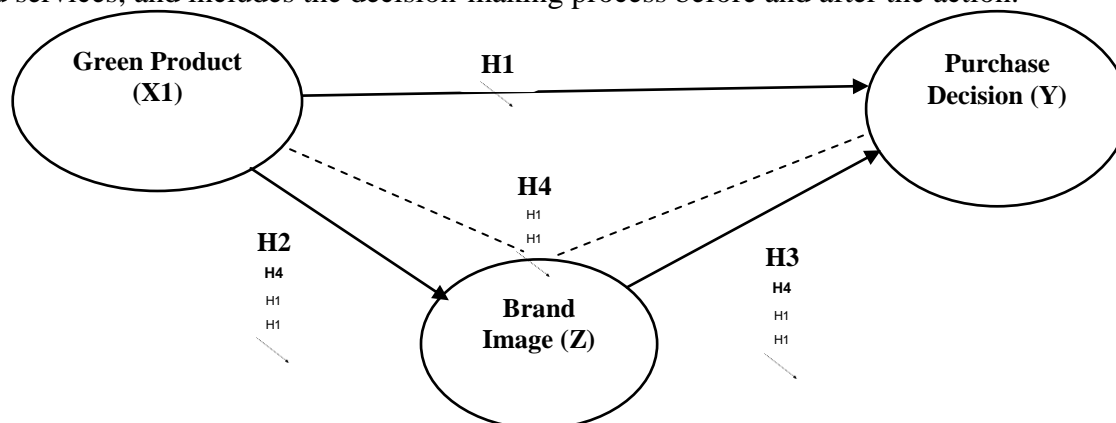


Figure1. Framework Methodology



RESEARCH METHODOLOGY

This study uses a quantitative approach with a survey method to examine the effect of green product promotion on purchasing decisions, with brand image as a mediating variable. The population of the study were consumers living in Jakarta with the criteria; already working, have purchased IKEA products and are middle to upper class with a sample of 384 respondents taken using the accidental sampling technique, which is a technique based on coincidence, where anyone who accidentally meets the researcher can be used as a sample, as long as the person met is considered suitable as a data source (Siswadi, 2016). The research instrument was a questionnaire with a Likert scale of 1-5, which measured the variables of green product promotion (X1), brand image (Z), and purchasing decisions (Y). Data collection methods applied in this study include observation, literature review, and online questionnaire distribution via Google Form.

RESULTS AND DISCUSSION

Validity & Reliability Test Result

Dalam penelitian ini, analisis data dan pengujian hipotesis dilakukan dengan menggunakan perangkat lunak SmartPLS (Partial Least Square) versi 3.0. SmartPLS adalah alat analisis data yang menerapkan teknik bootstrapping, sehingga tidak memerlukan asumsi normalitas pada pengolahan data. Selain itu, SmartPLS juga tidak memiliki batasan minimal jumlah sampel untuk penelitian. Analisis data dengan SmartPLS dilakukan melalui tiga tahap utama: Evaluasi Outer Model, Evaluasi Inner Model, dan Pengujian Hipotesis.

Table 2. Validity & Reliability Test Result

Outer Loading			Cronbach's Alfa		
Indicator	Coefficient	Result	Variable	Coefficient	Result
GP1	0.689	VALID	Green Product (X1)	0.880	Reliable
GP2	0.677	VALID			
GP3	0.666	VALID			
GP4	0.773	VALID			
GP5	0.773	VALID			
GP6	0.748	VALID			
GP7	0.817	VALID			
GP8	0.794	VALID			
BI1	0.703	VALID	Brand Image (Z)	0.894	Reliable
BI2	0.717	VALID			
BI3	0.785	VALID			
BI4	0.777	VALID			
BI5	0.764	VALID			
BI6	0.761	VALID			
BI7	0.769	VALID			
BI8	0.776	VALID			

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Outer Loading			Cronbach's Alfa		
Indicator	Coefficient	Result	Variable	Coefficient	Result
KP1	0.736	VALID	Purchase Decision (Y)	0.880	Reliable
KP2	0.687	VALID			
KP3	0.730	VALID			
KP4	0.701	VALID			
KP5	0.636	VALID			
KP6	0.767	VALID			
KP7	0.834	VALID			
KP8	0.805	VALID			

Based on the output displayed in Table 3 above, it can be seen that all indicators produce outer loading values > 0.5 so that all indicator values are considered valid. Meanwhile, the value of Cronbach's Alpha from each variable is > 0.6 which means that all construct values have high reliability values. (Ghozali & Latan, 2015).

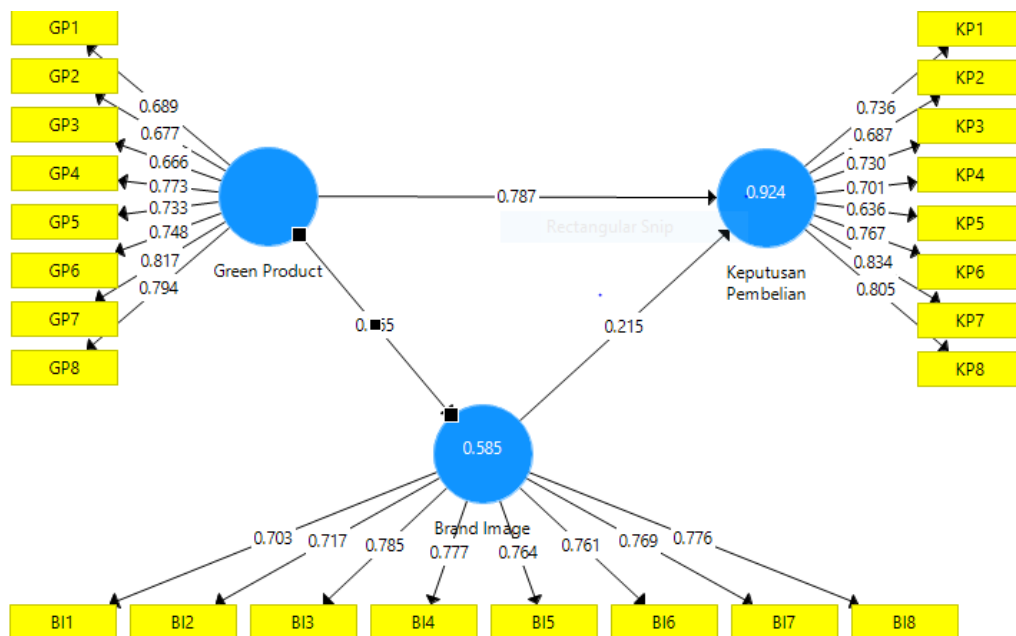


Figure 2. Outer Loading

Hypothesis Test Results

Hypothesis testing was conducted using bootstrapping tests to obtain the results of path relationship coefficients in the research design and also as a benchmark for causal relationships in the research design. The results of the hypothesis test in the study can be seen in the following table:

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Table 3. Hypothesis Test Result

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
1. Brand Image	0.215	0.216	0.021	10.288	0.000
2. Green Product -> Brand Image	0.765	0.767	0.018	42.147	0.000
3. Green Product -> Purchase Decision	0.787	0.786	0.018	43.370	0.000
4. Green Product -> Brand Image -> Purchase Decision	0.164	0.165	0.017	9.653	0.000

1. The results of this study indicate that Brand Image has a significant effect on Purchasing Decisions with a t-statistic value of 10.288 ($10.288 > 1.96$) and a p-value of 0.000 ($p < 0.05$). Thus, H_0 is rejected and H_a is accepted. These results indicate that Brand Image has a positive effect on Purchasing Decisions.
2. The results of the study indicate that Green Product has a very significant effect on Brand Image with a t-statistic value of 42.147 ($42.147 > 1.96$) and a p-value of 0.000 ($p < 0.05$). Thus, H_0 is rejected and H_a is accepted. This proves that Green Product has a strong impact on Brand Image.
3. The results of the study indicate that Green Product has a very significant effect on Purchasing Decisions with a t-statistic value of 43.370 ($43.370 > 1.96$) and a p-value of 0.000 ($p < 0.05$). Thus, H_0 is rejected and H_a is accepted. This indicates that Green Product directly influences Purchasing Decisions.
4. The results of the study indicate that Green Product through Brand Image has a significant effect on Purchasing Decisions with a t-statistic value of 9.653 ($9.653 > 1.96$) and a p-value of 0.000 ($p < 0.05$). Thus, H_0 is rejected and H_a is accepted. These results indicate that Brand Image mediates the effect of Green Product on Purchasing Decisions.

COCLUSIONS AND SUGGESTIONS

Based on the results of the research and discussion that has been done, it can be concluded that Green Product has a significant influence on Brand Image and Consumer Purchasing Decisions of IKEA products in Bekasi Regency. This shows that environmentally friendly products offered by IKEA can strengthen a positive brand image in the eyes of consumers. In addition, Brand Image is proven to mediate the influence of Green Product on Purchasing Decisions. This means that environmentally friendly products not only influence purchasing decisions directly, but also through



strengthening a positive brand image in the eyes of consumers. IKEA consumers tend to consider environmental aspects more in choosing products and have a good perception of brands that support sustainability and are environmentally friendly. The results of this study indicate that companies like IKEA that focus on developing environmentally friendly products can improve a positive brand image, which in turn encourages consumers to make purchasing decisions. Thus, companies need to continue to communicate sustainability values through products and marketing strategies to maintain and increase consumer loyalty.

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