Determinants of generation Y actual purchasing of organic coffee: A SEM-PLS approach

Tinneke Hermina[1*], Hanifah Fauziah[2]

[1,2]*Universitas Garut, Indonesia*
[1]*tinneke.hermina@uniga.ac.id*
* corresponding author

ARTICLE INFO	ABSTRACT
	Environmental issues have now become a global problem, which requires people to try to be more aware and integrate environmentally friendly aspects into their daily lives. Each agenda in the SGDs has goals and objectives related to humanity because the basic goals of sustainable development have a foundation, namely people, planet, prosperity, peace, and partnership. The MSME sector that contributes to preserving the environment to reduce environmental issues is the MSME Coffee sector. The contribution of MSME Coffee in preserving the environment is by utilizing coffee husks as compost. The quantitative research method adopts a descriptive approach to describe the situation to be studied with support in the form of literature studies to strengthen the results of the researcher's analysis in conclusion. In addition, the verification method to test the truth of the hypothesis is carried out by collecting data in the field to analyze the relationship of each variable. The results of the study explain that respondents have morals because they have a sense of responsibility to the environment as millennial consumers. The form of concern for the environment is done by changing consumption patterns, namely buying environmentally friendly coffee.

I. Introduction

Environmental issues have now become a global problem, which requires people to try to be more aware of and integrate environmentally friendly aspects into their daily [1]. Since 2015 all leaders in the world have committed to solving environmental issues through 17 sustainable development goals (SDGs) and 169 targets in it [2]. Each agenda in the SGDs has goals and objectives related to humanity because the basic goals of sustainable development have a foundation, namely people, planet, prosperity, peace, and partnership. One of the agendas related to production and consumption patterns is the 12th agenda, namely responsible production and consumption, considering that environmental problems from consumption patterns are increasingly visible.

As in developing countries, public attention to environmental problems has begun to increase due to knowledge and awareness about environmental issues [3]. The company's response to the increasing public awareness of the environment encourages companies to try and think about taking advantage of opportunities for environmental issues in their business activities. In this case, not only big companies are moving to implement green marketing. However, MSMEs (Medium, Small, and Micro Enterprises) have also begun to apply green marketing. One of the contributions of MSMEs in applying green marketing is the use of environmentally friendly packaging and business equipment such as reducing the use of plastic straws in cafes, reducing plastic bags as packaging for ground coffee or coffee beans with biodegradable or food-grade paper packaging [4]–[6].

The MSME sector that contributes to protecting environmental sustainability to reduce environmental issues is the MSME Coffee sector [7]–[11]. The contribution of MSME Coffee to preserving the environment is using coffee husks as compost [12], [13], the use of coffee bean packaging with sacks for a capacity of > 50kg[14], [15] the use of paper packaging for ground coffee [8], [16], the use of aluminum or paper straws in coffee drinks at a coffee shop [4], [17].

In addition, the results of observations of 40 consumers show that all respondents feel very concerned about the environment and do not want the environment to be damaged so they feel they have a responsibility to preserve the environment. The form of concern that is often done is to dispose of coffee waste in its place so that the garbage does not scatter and cause natural disasters. Meanwhile, related to consumption patterns in buying environmentally friendly products, only 37.5% of 40 people did so. This shows that the level of consumer awareness has not been applied to consuming environmentally friendly coffee products..

II. Methods

The quantitative research method adopts a descriptive approach to describe the situation to be studied with support in the form of literature studies to strengthen the results of the researcher's analysis in conclusion. In addition, the verification method to test the truth of the hypothesis is carried out by collecting data in the field to analyze the relationship of each variable.

The unit of analysis is the millennial generation as many as 831,716 people. Based on the generation theory of Howe & William (2000), it is determined that the millennial generation, also known as Generation Y, is the generation born from 1982 to 2004 or currently aged 18 to 40 years [27]. The sampling technique in this study uses a non-probability sampling technique in which the sample elements are selected under certain conditions [28]. The minimum number of samples in this study is 170 respondents. Data collection techniques used in this study, including library research related to theoretical studies and other references. Researchers use books, magazines, articles, documents, and so on that are relevant to the research. And field studies through observation and distributing questionnaires. Each statement is given weight from 1 to 5. In this Likert scale procedure, each answer choice is given weight or value that is arranged in stages. Data from the results of the questionnaire distribution was then analyzed using the structural equation model (SEM-PLS). Partial least squares (PLS) path modeling is a variance-based structural equation modeling (SEM) technique that is widely applied in business and social sciences. In addition to being based on reasons for the complexity of the model that reflects the causal relationship between research variables.
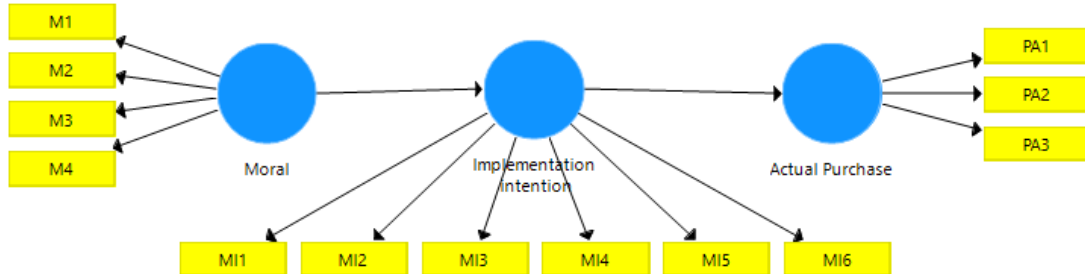

Figure 1 Research Model
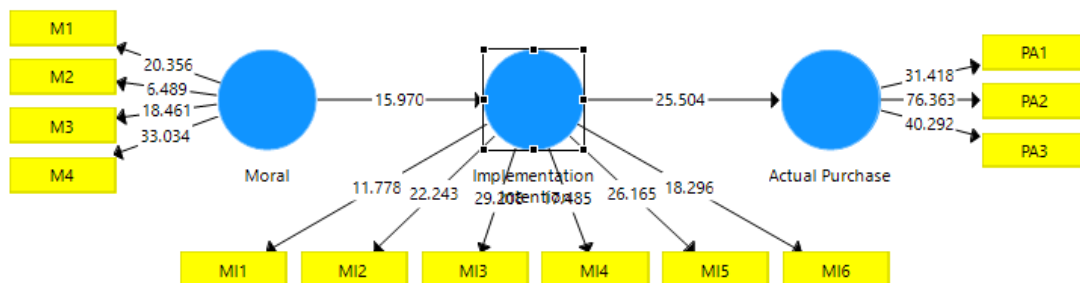
III. Result and Discussion

Table 1 Direct Effect

	Original Sampe	Sample Mean	STDEV	O/STDEV	p Values
Implementation intention → actual purchase behaviour	0.829	0.833	0.033	25.504	0.000
Moral → implementation intention	0.755	0.760	0.047	15.970	0.000

Hypothesis testing shows the t-statistics value of 25.504 > 1.96 and p-value of 0.000 <0.05. It means that there is an effect of implementation intention on actual buying behavior. The original sample (O) value is 0.829 with a positive value. It implies an increase in implementation intentions will encourage the actual purchases of 0.829. These results indicate t-statistics > 1.96 with a significance level of p-value <0.05. The results of the study were strengthened by responses from respondents about the implementation interest which illustrates that consumers have a desire to buy environmentally friendly coffee because of the benefits of these products and are aware of current environmental conditions. In addition, some consumers feel that environmentally friendly coffee is now quite easy to obtain and there is more information about the product.

The activity of finding information about the product shows that there is an implementation interest from consumers to carry out actual buying behavior. Because according to [29] actual buying behavior made by consumers can occur because consumers have perfect information. Thus, according to the results of a descriptive analysis related to actual buying behavior, consumers feel that environmentally friendly coffee has begun to be needed. Therefore, the behavior of coffee consumers in this study is related to implementation interest and actual buying behavior shows the characteristics of vocal green consumers. That is, consumers actively seek information and actualize it with buying behavior.

Research results that are relevant to this research are shown by several studies, namely [18], [30], [31] which state that consumers will make purchases of environmentally friendly products if they have complete and complete information. when the customer feels they need it. In addition, Doksaeter & Nordman's research (2019) shows that vocal green consumers are consumers who buy environmentally friendly products according to their interest in implementing them [24].

Subsequent hypothesis testing shows the t-statistics value of 2.018 > 1.96 and p-value of 0.024 <0.05, meaning that there is a moral influence on implementation interest. The original sample value (O) is 0.180 with a positive value indicating a moral increase in a person will encourage implementation interest of 0.180. In addition, the descriptive analysis illustrates that the morale of the respondents in this study showed good morals. Especially in the dimension of the feeling of moral obligation, it is evidence that respondents feel they have an obligation to be responsible for the environment by changing their consumption patterns.

The morals possessed by the respondents increase the implementation interest in consuming environmentally friendly coffee. Given that morals and attitudes are determinants of behavioral interest and can be strong or weak depending on the importance of consumers' attitudes towards a subject [18], [24]. The willingness to perform certain behaviors will depend on the morals and attitudes of consumers. It is illustrated by the respondents' responses to the dimensions of existence and completeness of implementation intentions who have plans to consume environmentally friendly coffee but begin by seeking product information.

This finding is similar to Doksaeter & Nordman (2019) who states that morale is one of the most important factors in shaping a consumer's implementation interest [24]. In addition, according to Taufique & Vaittanganhan (2018), morals control a consumer's behavior in forming ethical consumption interests [32].

Table 2 Indirect effect

	Original Sampe	Sample Mean	STDEV	O/STDEV	p Values
Moral → implementation intention → actual purchase behaviour	0.626	0.634	0.048	12.984	0.000

The results of hypothesis testing obtained t-statistics value of 9.144 < 1.96 and p-value of 0.003 < 0.000. The interpretation of these results is that morals affect actual buying behavior through implementation interest. The original sample value shows a positive value of 0.559, meaning that the more positive a person's morale will be, the more interest in implementation will be encouraged the actual purchase behavior.

The results of the study are relevant to the concept of a moral relationship with interest, namely moral as a determinant of a person's interest whether his interest can be strong or weak depending on the importance of consumer attitudes towards a subject [18]. Likewise, the results of research from Al-Adamat, Al-Gasawneh, & Al-Adamat (2020) studied the moral relationship with the formation of a person's interest in ethical behavior in their consumption patterns [25]. In the study it was stated that a person who has morals generally has integrity, meaning that he will behave according to principles and beliefs, tell the truth, defend what is right, and keep promises.

The moral picture in this study shows the existence of strong morals in some respondents through the dimension of a feeling of moral obligation. This means that respondents have a feeling that they are obliged to be responsible for the environment by changing their consumption patterns. The way respondents actualize themselves to preserve the environment is to try to consume organic products.

IV. Conclusion

It can be concluded that the respondents have morals because they have a sense of responsibility for the environment as millennial consumers. The form of concern for the environment is done by changing consumption patterns, namely buying environmentally friendly coffee. However, this consumption pattern has not been completely consistent. In addition, the interest in implementation shows that some respondents have plans to buy environmentally friendly coffee, but respondents start by looking for information about the coffee product. However, the assessment of the dimensions of intentions strength obtained an assessment with the lowest score, meaning that not all respondents had a strong interest. Likewise, actual buying behavior shows the level of confidence that environmentally friendly products are by current needs. Although the contribution of coffee to the environment has not shown a large contribution. According to the results of hypothesis testing directly or indirectly, it shows that morale affects actual buying behavior through implementation intention. It indicates that moral consumers will purchase organic coffee. Therefore, coffee MSMEs should promote organic coffee more intensely to increase consumer awareness so that they are responsible for the environment through their consumption patterns

References

[1] Delloite, "Reducing Environmental Impact Is Now A Business Imperative," *Forbes*, 22-Jan-2020. [Online]. Available: https://www.forbes.com/sites/deloitte/2020/01/22/reducing-environmental-impact-is-now-a-business-imperative/?sh=1562732b6cc6. [Accessed: 19-Jan-2022].

[2] Bappenas, "Sustainable Development Goals (SDGs)," *Bappenas*, 2020. [Online]. Available: https://sdgs.bappenas.go.id/sekilas-sdgs/. [Accessed: 02-Aug-2022].

[3] U. Sumarwan, *Merevolusi Revolusi Hijau* , 1st ed. Bogor: IPB Press, 2021.

[4] B. Adhitya, *Home Coffee Shop - Inspirasi Membangun Kedai Kopi Mungil di Teras Rumah*, 1st ed. Jakarta: Abe Books, 2021.

[5]   A. P. Marbun, Ainin, A. Emawati, and D. T. Nabila, "Upaya Penggantian Sampah Plastik dalam Pengemasan Komoditi Online Shop oleh Pelaku UMKM," *J. Pengabdi. Kesehat. Masy.*, vol. 1, no. 2, pp. 145–152, 2021.

[6]   Sam'ani, M. Widowati, Sartono, and P. Ayundya, "Peningkatan mutu proses produksi dan kemasan kopi bubuk bagi masyarakat klaster kopi di Desa Bansari Kecamatan Bansari Temanggung," in *Seminar Nasional Hasil Penelitian Dan Pengabdian Masyarakat*, 2019.

[7]   S. Harun, A. Hamni, G. A. Ibrahim, and Y. Burhanuddin, "Sistem Produksi Bersih dan Terintegrasi Untuk Pengolahan Kopi Lampung untuk Meningkatkan Daya Saing dan Mutu Produk," *J. Teknol. dan Inov. Ind.*, vol. 2, no. 1, Oct. 2021.

[8]   C. Jacob, "Climate change: Lab-grown coffee and sustainable ways growing coffee," *Cncb.com*, Brazil, 15-Dec-2021.

[9]   R. R. Maulani, "Peningkatan Kapasitas Wirausaha Petani Kopi Gunung Geulis Dalam Rangka Meningkatkan Pendapatan Dengan Menerapkan Konsep Green Bussiness Kopi," in *Seminar Nasional Pengabdian Kepada Masyarakat UNDIP 2020*, 2020, vol. 1, no. 1.

[10]   Queensland Government, "The benefits of an environmentally friendly business | Business Queensland," *https://www.business.qld.gov.au/*, 22-Dec-2020. [Online]. Available: https://www.business.qld.gov.au/running-business/environment/environment-business/benefits. [Accessed: 30-Jan-2022].

[11]   N. Widyamurti, "Pemasaran Pariwisata Melalui Kemasan Produk Ukm Standing Pouch Berbahan Paper Metal Di Era Ekonomi Kreatif," *J. Ind. Kreat. dan Kewirausahaan*, vol. 1, no. 1, Jun. 2018.

[12]   I. Falahuddin, A. R. P. Raharjeng, and L. Harmeni, "Pengaruh Pupuk Organik Limbah Kulit Kopi (Coffea Arabica) Terhadap Pertumbuhan Bibit Kopi," *J. Bioilmi*, vol. 2, no. 2, 2016.

[13]   A. Rofi, "Strategi Peningkatan Pendapatan Petani Kopi di Desa Boafeo Kecamatan Maukaro Kabupaten Ende NTT," *Maj. Geogr. Indones.*, vol. 32, no. 1, 2018.

[14]   A. Afriliana, *Teknologi Pengolahan Kopi Terkini*, 1st ed. Yogyakarta: CV. Budi Utama, 2018.

[15]   E. Wahyurini, R. I. Perwira, and D. Yudhiantoro, "Pengembangan Produksi Garut Pada Ukm Lancar Rejeki Desa Kadireso Pajangan, Bantul," in *Seminar Nasional Tahun Ke-5, Call For Paper Dan Pameran Hasil Penelitian & Pengabdian Masyarakat Kemenristekdikti RI*, 2019.

[16]   A. S. Prameka and D. T. Kurniawan, "Peran green marketing pada repurchase intention merek kopi ramah lingkungan di Indonesia," *J. IQRO*, vol. 7, no. 2, Jul. 2021.

[17]   A. Fasha and W. Yuwono, "Analisis Kriteria Yang Mempengaruhi Milenial Terhadap Niat Pembelian Makanan Organik," *SEIKO J. Manag. Bus.*, vol. 5, no. 1, pp. 198–212, Feb. 2022.

[18]   M. J. Carrington, B. A. Neville, and G. J. Whitwell, "Why ethical consumers don't walk their talk: Towards a framework for understanding the gap between the ethical purchase intentions and actual buying behaviour of ethically minded consumers," *J.*

Bus. Ethics, vol. 97, no. 1, pp. 139–158, 2010.

[19] M. Grimmer and M. P. Miles, "With the best of intentions: a large sample test of the intention-behaviour gap in pro-environmental consumer behaviour," *Int. J. Consum. Stud.*, vol. 41, no. 1, pp. 2–10, Jan. 2017.

[20] I. Ajzen, "The theory of planned behavior: Frequently asked questions," *Hum. Behav. Emerg. Technol.*, vol. 2, no. 4, pp. 314–324, Oct. 2020.

[21] C. Guertin and L. Pelletier, "Planning and self-monitoring the quality and quantity of eating: How different styles of self-regulation strategies relate to healthy and unhealthy eating behaviors, bulimic symptoms, and BMI," *Appetite*, vol. 156, p. 104839, Jan. 2021.

[22] P. M. Gollwitzer and P. Sheeran, "Self-regulation of consumer decision making and behavior: The role of implementation intentions," *J. Consum. Psychol.*, vol. 19, no. 4, pp. 593–607, Oct. 2009.

[23] M. Nadanyiova, E. Kicova, and M. Rypakova, "Green Marketing and its Exploitation in Slovak Companies," *Procedia Econ. Financ.*, vol. 26, pp. 219–226, Jan. 2015.

[24] E. S. Doksaeter and J. Nordman, "Talking green, behaving brown : A study about consumers intention-behavior gap among eco-labels," University of Gävle, Sweden, 2019.

[25] A. Al-Adamat, J. Al-Gasawneh, and O. Al-Adamat, "The impact of moral intelligence on green purchase intention," *Manag. Sci. Lett.*, vol. 10, pp. 2063–2070, 2020.

[26] M. T. Liu, Y. Liu, and Z. Mo, "Moral norm is the key: An extension of the theory of planned behaviour (TPB) on Chinese consumers' green purchase intention," *Asia Pacific J. Mark. Logist.*, vol. 32, no. 8, pp. 1823–1841, Oct. 2020.

[27] N. Howe and S. William, *Millennials Rising : The Next Generation*, 13th ed. New York: Random House. Inc, 2000.

[28] J. F. Hair, M. W. Celsi, A. H. Money, P. Samouel, and M. J. Page, *Essentials of Business Research Methods*, 2nd ed. New York: M.E Sharpe.Inc, 2015.

[29] P. Kotler and K. L. Keller, *Marketing Managemen, 15th Edition*. Pearson Education,Inc, 2016.

[30] P. . Gollwitzer, M. Bieleke, and P. Sheeran, "Enhancing consumer behavior with implementation intentions," in *Routledge International Handbook of Consumer Psychology* , no. 3, C. J. Boyd and M. Zawisza, Eds. London: Routledge, 2016, pp. 370–389.

[31] H. Wang and A. Mangmeechai, "Understanding the Gap between Environmental Intention and Pro-Environmental Behavior towards the Waste Sorting and Management Policy of China," *Int. J. Environ. Res. Public Heal. 2021, Vol. 18, Page 757*, vol. 18, no. 2, p. 757, Jan. 2021.

[32] K. M. R. Taufique and S. Vaithianathan, "A fresh look at understanding Green consumer behavior among young urban Indian consumers through the lens of Theory of Planned Behavior," *J. Clean. Prod.*, vol. 183, pp. 46–55, May 2018.