The Effect of Consumer Ethical Beliefs on Green Buying Intention: Social Dilemma as a Mediating Variable

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Abstract. This study uses an ethical approach to explain green buying intentions. The results of the study so far have shown inconsistency. Customer ethics will trigger their reasoning and lead to dilemma situations. To reduce a dilemma situation, consumers will do something good, one of them is by making an intention to buy green products. The purpose of this study is to examine the influence of consumer ethical beliefs on green buying intention with social dilemma as a mediating variable. The sample in this study is 126 respondents. The analysis technique used path analysis. The result of this study is social dilemma indicate that social dilemma does not mediate the effect of consumer ethical beliefs on green buying intention.

Keywords: green consumerism, ethical beliefs, social dilemma, green purchase intention

1. INTRODUCTION

Environmental problems become a phenomenon that needs attention and really considered, this cannot be denied that phenomena such as global warming, climate change and natural disaster such as landslides, floods, droughts and other phenomena are a threat to our survival. Increasing damage to nature is caused by over-exploitation and lack of caring for ecology. This increases consumer awareness of the negative consequences. Several attempts to minimize environmental damage have been carried out, one of them is the green revolution. Green revolution is an effort to maintain the sustainability of natural resources which are not only carried out by consumers, but also must involve the government and business people.

Green consumerism is defined as the tendency of consumers to choose products whose effects do not harm human health or damage the environment (Tekade & Sastikar, 2015). Consumption patterns while taking into environmental sustainability are so important for us to pay attention because of their effect on ecological problems and as a means of maintaining ecological capabilities to meet the needs of future generations.

One effort to build green consumerism is by buying environmentally friendly products. Green brand is defined as a brand that offers environmentally friendly benefits that are significantly more than competitors and is able to attract consumers to set high priorities for purchasing (Grant, 2008). In Indonesia, the purchase of environmentally friendly product is still very low. Indonesian consumers tend to prefer practical products, branded and easy to obtain even though the consequences of their consumption patterns will have an impact on ecological problems.

Indonesia is the second largest contributor plastic waste in the world. Based on data obtained from the Indonesian Plastic Industry Association (INAPLAS) and the Central Statistic Agency (BPS), the amount of plastic waste in Indonesia reaches 64 million tons/year where as many as 3.2 million tons is plastic waste disposed into the sea (kompas.com). This makes Indonesian sea severe damage that causes damage to marine biota, declining fishing catches and decreasing Indonesian
income from the marine tourism sector and various other problems. As a result, Indonesia faces the threat of serious and demanding environmental problems to be resolved soon.

One effort to reduce ecological damage in Indonesia is to promote green consumerism by sustainable consumption and production. Companies and business people need to increase availability and improve marketing of environmentally friendly products to change people's consumption patterns. The Ministry of Environment and Forestry (LHK) encourages communities and industries to change their behavior so that they pay more attention to environmental aspects in consumption and production patterns (mediaindonesia.com). Nevertheless, these efforts also must be accompanied by building green marketing. Handayani et al. (2017) defined green marketing as the concept of marketing a product by using materials that do not damage the environment. Polonsky (1994), green marketing refers to all marketing activities carried out to facilitate the exchange of goods or services to meet human needs, while paying attention to the negative impact on the environment.

Companies and businesses need to understand how consumer's decision making processes towards environmentally friendly products (D'Souza et al, 2006). Understanding something that underlies consumer purchase of environmentally friendly products can help businesses, marketers, and academics to understand consumers' decision-making processes for environmentally friendly products so that are useful to determining the right marketing strategy.

Green products are unique compared to ordinary products. Most antecedents of green consumerism use general antecedents that can be applied to green products and non-green products such as price, quality, age, gender, income, attitudes toward business, perceived product price & quality, information environment, perceived value, perceived risk, religiosity and other factors that are general and inaccurate to explain the green purchase phenomenon. Therefore, the approach used to test the antecedents of green consumerism must be specific and can represent all consumers. Ethical approaches are the most appropriate in the context of green consumerism. Blodget et al. (2001) argues that ethics models are one of the well-known theories in business ethics.

Some academic studies have used ethical approaches to explain green consumerism. Fishbein and Ajzen (1975) individual beliefs affect toward behavior and subjective norms, which in turn affect behavioral intention. Singhapakdi et al. (2000) examine the effect of ethical beliefs on ethical intentions. Honkanen et al. (2006) examine ethical value and motive for organic food choice. Vassilikopoulou et al. (2011) examine the influence of ethical beliefs on purchase intention with blame and anger as mediating variables. Chuan Lu (2013) examined the influence of consumer personality on green buying intention by mediating consumer ethical beliefs.

Although previous research has made ethics an antecedent of green buying intention, some studies have shown inconsistencies in the result of the study. Studies conducted by Chuan Lu et al. (2013) dimensions of ethical scale are not strong predictors of green buying intention. Research conducted by Vassilikopoulou et al. (2011) examined the relationship of ethical beliefs, blame, anger and purchase intention to product harm. The purpose of the research is to reveal the correlation between blame attribution, anger and ethical beliefs. However, the attribution of blame was not found to be significantly related to purchase intention. Some research show different results. Fishbein and Ajzen (1975) individual beliefs affect attitude and subjective norms, which in turn affect on behavioral intention. Singhapakdi et al. (2000) ethics positively affect on ethical intention. Honkanen et al. (2006) found a significant relationship between three dimension of ethical values and attitude towards intention to consume organic food. Chen & Hung (2016) found that consumer environmental ethics and beliefs were positively related to intention to use green products.

On the basis of the inconsistency of the findings and the obscurity of relationship between the research variables and to explain and expand the understanding of the influence of ethics on consumers' intentions on environmentally friendly products, it is necessary to re-examine them.
This study attempts to propose ethical dilemma variables as a mediator of the affect consumer ethical beliefs on green buying intention so that it further explains and extends the relationship theory of the affect consumer ethical beliefs on green buying intention.

Some experts have defined the concept of ethics, Auger et al. (2003) ethical consumption refers to consumer choice based on social non-traditional product component. Ethical beliefs considered an important tendency in the process of ethical judgement (Alicke et al. 1996). Chuan Lu et al. (2013) when ethical judgement occur, individuals will experience a process of dilemma. When ethical dilemmas are felt, individuals will conduct deontological and teleological evaluations to make their ethical judgements. Messick & Brewer, (1983) social dilemma is when consideration of individual choices will impact damage to other individuals. For example, many situations where collective members have a greater incentive to act in a selfish manner and ignore social consequences, even if everyone does same, everything will be worse.

From some of these reviews, this study proposes the use of social dilemma variables as mediating variable with consideration of ethical beliefs which will reveal a social dilemma situation which then affects on green buying intention.

The purpose of this study is (1) testing and analyzing the effect of consumer ethical beliefs on green buying intention, (2) testing and analyzing the role of mediating social dilemma on affect consumer ethical beliefs on green buying intention, (3) extending the theory of social dilemma, because the studies carried out were mostly experimental studies.

2. LITERATURE REVIEW

Green Buying Intention

So far the term of green buying intention has various terms. Some call it green buying intention, green purchase intention, green consumerism, environmental consumerism, green marketing and sustainable consumerism. But from some of these, all term refers to consumption activities while still considering aspects of environmental sustainability aspects. Environmental concerns refer to the extent to which individuals are aware of environmental problems, support the effort to solve them and demonstrate the willingness to contribute personally to finding a solution for environmental assessment (Hu et al., 2010).

The concept of green consumerism refers to consumers who are willing to buy environmentally friendly products whose content and methods of production have a minimal impact on environment (Jaiswal, 2012). Tekade and Sastikar (2015) green consumerism is defined as the tendency of consumers to prefer products that do not endanger human health or damage the environment.

Green buying intention is the possibility of a consumer interested in environmentally friendly issues and aware to choose products that are more environmentally friendly than conventional products which in their production processes tend to override their adverse effects on environmental problems (Ali and Ahmad, 2012).

From some of these terms, green buying intention is the desire of consumers to buy products whose effects do not have too much impact on environmental damage and harm to others.

Consumer Ethical Beliefs

The term ethical consumption is used to explain he behavior of socially conscious consumer focusing on social goals, ideals and ideology (Culiberg, 2013). In ethical consumption consumers
realize that their behavior will have consequences on their social and can bring social change. Muncy and Vitell (1992) define consumer ethics as “moral principles and standards that guide a person’s or group’s behavior when they acquire, use and dispose of goods and services”. Ethics is defined as a set of values and principles that guide a person’s or individual’s behavior towards right and wrong (Smit et al. 2007).

From some of these definitions, consumer ethical beliefs can be defined as a set of moral principles that guide consumers in choosing products.

Social Dilemma

Social dilemma is when consideration of individual choices will impact damage to the collective. For example, many situations where collective members have a greater incentive to act in selfish way and ignore social consequences, even if everyone does the same, everything will be worse (Messick & Brewer, 1983). Social dilemma arise when individual choices on things that are not desirable for groups or communities (Dawes, 1980). Social dilemma requires individuals to consider the advantages and disadvantages they will get in decision making. When a person’s choices have an impact on the bad for others, someone will experience a social dilemma and this condition will lead someone to act well. According to Brewer and Kramer (1986) social dilemmas arise in two situations: (1) Individuals must decide whether to contribute to shared resources (2) Individuals must decide whether to take advantage of shared resources. While Dawes (1980) defines social dilemma based on two situations: (a) each individual gets a higher payoff for selfish choices than making socially cooperative choices, (b) each individual will get better off if all individuals work together compared to all selfish individuals. Allison et. al (1996) social dilemma is a situation in which an individual benefits from the selfishness they make, unless everyone chooses an alternative to selfishness, then making all group members does not get any profit. Kollock (1998) social dilemma is a situation in which individual rationality leads to collective irrationality. Reasonable behavior according individuals leads to a situation that is worse than it should be. A social dilemma is a situation where each member of a group has clear and unambiguous incentives for a choice that when the choice is chosen by all individual group members gives worse results for all than they would if no one from them choose that choice. If people deny the immediate benefit for each of them, this results in a common good, especially in the collective interest (Weiten, 1989). Social dilemmas occur when the rational decisions of individuals lead to collective disasters (Aquino, 1998).

Green consumerism activities have a direct impact on other people and the surrounding environment. Therefore, the individual will be faced with a social dilemma situation, where he will contribute to the surroundings environment or make decisions that are only beneficial for himself.

Hypothesis Development

The affect of consumer ethical beliefs on green buying intention

An ethical approach to understanding green consumerism is the most appropriate approach. Ethics is interpreted as a set of values and principles that guide an individual’s behavior toward right and wrong (Smit et al., 2007). Ethical norms are important to understand in consumer decision making, and researches have found that consumers use ethical norms rather than perceived consequences for making ethically oriented decisions (Vitell et al., 2001). A set of values and principles that are held as a references in evaluating true or false will be used by consumers in evaluation and can lead to make decisions to environmentally friendly products.

Several studies have proven a significant relationship between ethics and intention. In a previous study conducted by Singhapakdi et al. (2000) conclude that the consumer ethical beliefs influence ethical intentions. Honkanen et al. (2006) found a significant relationship between the three
dimensions of ethical values and attitudes towards intentions to consume organic food. Chen & Hung (2016) found that consumer environmental ethics and beliefs were positively related to the intention to use green products.

From several explanations and the results of previous studies, we propose a hypothesis:

H1: consumer ethical beliefs have a positive and significant effect on green buying intention.

The affect of consumer ethical beliefs on social dilemma

Every individual has a value principle that is used to make true or false judgement of an action. Individuals as social beings, always need other people. In green consumerism, individual choice of environmentally friendly products will have an impact on ecology where ecology is where other individuals live their lives.

Buying environmentally friendly products will make a positive contribution to the environment. Buying products that are not environmentally friendly will provide benefits to themselves because of convenience factor. Situations want to be selfish or want to contribute to the environment called a social dilemma situation. Chuan Lu et al. (2013) when ethical dilemmas are felt, consumers will apply deontological and teleological evaluations to make ethical judgements. When ethical judgement occur individuals will experience a process dilemma.

From the review, we propose a hypothesis:

H2: consumer ethical beliefs have a positive and significant effect on social dilemma.

The affect social dilemma on green buying intention

Many studies that have made consumer ethical beliefs as antecedent of green buying intention, but the findings show inconsistencies, consumer ethical beliefs are not strong to be predictors of green buying intention. Therefore, to test and expand the theory we try to propose a social dilemma as a mediator variable of consumer ethical beliefs on green buying intention.

Green consumerism activity is related to environmental sustainability, which is the place of life for everyone. In the theory of helping behavior, someone is driven to help based on feelings of guilt. When someone feels guilt by something they do, helping other people can reduce their guilt (Hollenbeck & Heatherton, 1998). Someone helping other people can be caused by the bad feelings they experience. Social dilemma is a bad feeling or mood experienced by someone when faced with the action that he should do on the environment. Will he prioritize himself or will to contribute to his environment. This is called social dilemma. When the dilemma is felt someone will do to reduce the dilemma situation by doing good things. In this case making the intention to buy a green product is a good thing he should do. Entering a social dilemma variable can explain the affect consumer ethical beliefs on green buying intention.

Dilemma is a situation that requires someone to consider the decision they want to choose. Individual with high social dilemmas will experience dissonation which requires individuals to reduce anxiety by doing something they should.

From the review, we propose a hypothesis:

H3: social dilemma has a positive and significant effect on green buying intention

H4: social dilemma mediates the effect of consumer ethical beliefs on green buying intention
3. RESEARCH METHOD

The steps that the researchers used in this research method are developed based on previous studies. First, the researchers adapted consumer ethical beliefs measurement by Vitell and Munchy (1992) with a six-dimensional Consumer Ethics Scale (CES). The lower score obtained in the practice of the activities of the Active, Passive, Deceptive and No harm dimensions, the more ethical consumers. The higher score on indicators of Do Good and Recycling, indicate the respondents is ethical. Second, the measurement of social dilemma uses measurement scale developed through definitions from several experts such as Dawes 1980, Brewer & Kramer 1986, Alison et al. 1996 and Kollock, 1998. Third, green buying intention adapts the measurement scale based on Paul et al. (2016). The higher score obtained, the higher consumer's intention to buy environmentally friendly products.

This research is a quantitative research for causality testing, which aims to analyze the influence of consumer ethical beliefs on green buying intention with social dilemma as a mediating variable. The process of collecting data is by distributing questionnaires. The analysis tool used path analysis. The sample size in this study is based on Hair et al. (2006) the minimum size sample size of 15-20 times the number of independent variables. The sample size in this study was 126 respondents. The statement items in this study adapted from previous studies measured using likert scale 1-7 (1 strongly dissagree, strongly agree). In the questionnaire, researchers also included information about education, gender, age and income. The mediating effect of social dilemma on the affect consumer ethical beliefs on green buying intention was tested by Baron and Kenny (Baron & Kenny, 1986).

4. RESULT AND DISCUSSION

Validity and Reliability

We tested all items of questionnaire to determine validity and reliability. Some invalid items were not used in this study. If the “r count” is greater than “r table”, the questionnaire items is valid and reliable.

Table 1.1 result of validity test

<table>
<thead>
<tr>
<th>Item</th>
<th>Value</th>
<th>Status</th>
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</tr>
</thead>
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<tr>
<td>Item x1</td>
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<td>Valid</td>
<td>Item x20</td>
<td>0.551</td>
<td>Valid</td>
</tr>
<tr>
<td>Item x2</td>
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<td>Invalid</td>
<td>Item x21</td>
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<td>Item x3</td>
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<td>Item x22</td>
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<td>Valid</td>
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<tr>
<td>Item x4</td>
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<td>Item x23</td>
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<td>Valid</td>
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<tr>
<td>Item x5</td>
<td>0.607</td>
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<tr>
<td>Item x7</td>
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<td>Item x26</td>
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<tr>
<td>Item x8</td>
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<td>Item y1</td>
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<tr>
<td>Item x9</td>
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<td>Valid</td>
<td>Item y2</td>
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</table>
Hypothesis Testing

Hypothesis I

According Baron and Kenny, the first step that must be done is to examine the effect of independent variable on the dependent variable to find out the possibility of being mediated by mediator variable. The result of hypothesis test shows that consumer ethical beliefs have a positive and significant effect on green buying intention ($\beta_{\text{consumer ethical beliefs}} = 0.171, p = 0.000 < \alpha$). From this result we can determine the regression equation:

$$Y = 3.754 + 0.171$$

Tabel 1.1 hypothesis 1 test result

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3.754</td>
<td>4.214</td>
<td>.891</td>
<td>.375</td>
</tr>
<tr>
<td>1</td>
<td>consumer ethical beliefs</td>
<td>.171</td>
<td>.030</td>
<td>.455</td>
</tr>
</tbody>
</table>

a. Dependent Variable: green buying intention

Hypothesis II

The second step is to include the possible role of mediation in the influence of consumer ethical beliefs on green buying intention. Test the social dilemma mediation by making it a dependent variable. The result of the analysis shows that consumer ethical beliefs have no effect on social dilemma ($\beta_{\text{consumer ethical beliefs}} = -0.011, p = 0.642 > \alpha$). From these results we can determine the regression equation:

$$Y = 28.166 - 0.011$$

Tabel 1.2 hypothesis 2 test result

<table>
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<th>Standardized Coefficients</th>
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<th>Sig.</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
</tr>
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<td>28.166</td>
<td>3.430</td>
<td>8.211</td>
<td>.000</td>
</tr>
<tr>
<td>1</td>
<td>consumer ethical beliefs</td>
<td>-.011</td>
<td>.024</td>
<td>-.042</td>
</tr>
</tbody>
</table>

a. Dependent Variable: social dilemma
Hypothesis III
The third step is by testing consumer ethical beliefs and social dilemma variables as predictors and green buying intention as a dependent variable. The results of the analysis show that social dilemma has no effect on green buying intention (β social dilemma = 0.093, p=0.642> α). From this result we can determine the regression equation:

\[ Y = 1.140 + 0.172 + 0.093 \]

Hypothesis 3 test result

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<th>Model</th>
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<th>Standardized Coefficients</th>
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<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
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<td>1</td>
<td>(Constant)</td>
<td>1.140</td>
<td>5.242</td>
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<td></td>
<td>consumer ethical beliefs</td>
<td>.172</td>
<td>.030</td>
<td>.458</td>
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<tr>
<td></td>
<td>social dilemma</td>
<td>.093</td>
<td>.110</td>
<td>.067</td>
</tr>
</tbody>
</table>

a. Dependent Variable: green buying intention

Hypothesis IV
Hypothesis 4 state the social dilemma mediates the effect of consumer ethical beliefs on green buying intention. According to Baron and Kenny if there is a decrease in the number of consumer ethical beliefs coefficients from the first step compared to the third step, there is a role for social dilemma mediation.

(β consumer ethical beliefs= 0.171, p=0.000< α)
(β consumer ethical beliefs= -0.011, p=0.642> α).

Conclusion
Based on the results of the survey research we conducted on 126 respondents, to test the effect of consumer ethical beliefs on green buying intention with social dilemma as a mediating variable, we can conducted that:

1. Consumer ethical beliefs have a significant positive effect on green buying intention
2. Consumer ethical beliefs has no significant effect on social dilemma
3. Social dilemma has no significant effect on green buying intention
4. Social dilemma does not mediate the effect of consumer ethical beliefs on green buying intention

Suggestion
For practitioners
Research conducted by Arli (2017) found that most consumer were ethical, and there were also a number of unethical consumers. Nonetheless, ethics has an influence on consumers intention to buy environmentally products. Ethics is a set of values that are used as a reference in acting and behaving. In effort to understand consumer decision making, practitioners need to improve consumer ethics by socializing the importance of protecting the environment. In social marketing practitioners are not only required to market product, but also ideas about the importance of maintaining environmental stability.

For academics
Future research can use other products besides stainless straws, because there are still many respondents not familiar with stainless straws. The results of the hypothesis indicate that the social dilemma does not mediate the effect of consumer ethical beliefs on green buying intention. The theory of “feel bad do good” tend to be inconsistent, when someone feels something that does not make them comfortable, that person does not always reduce their discomfort by doing good. While the theory of “feel good do goof” tends to be consistent. Therefore, further research examines other variables to explain inconsistent findings regarding the effect of consumer ethical beliefs on green buying intention. The value of validity and reliability of the social dilemma questionnaire items is relatively low, it is expected that further research can improve the questionnaire items.
REFERENCE


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