

The Effect of Greenwashing on Switching Intention with Green Perceived Risk as a Moderation Variable (Study of Plant Bottle Coca – Cola consumers in Indonesia)

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ABSTRACT

Environmental issues are becoming very popular among consumers around the world and have become a popular topic for research among the industrial sector. With the increasing consumer interest in environmentally friendly products, causing manufacturers to strive to market environmentally friendly products, one of the marketing strategies known as Green Marketing. One product that uses Green Marketing is Coca Cola. Coca Cola with Plant Bottle packaging causes a different perception in the eyes of consumers who consider Coca Cola to practice Greenwashing. The purpose of this study was to analyze the effect of moderation of Green Perceived Risk on Greenwashing and Switching Intention in Coca Cola Plant Bottle consumers. The target population is Coca Cola Plant Bottle consumers in Indonesia, sampling using estimation intervals by taking 100 samples. This study used PLS SEM analysis tool. Results show that green perceived risk has a positively on switching intention and green perceived risk not moderates the relationship between greenwashing and switching intention.

Keywords: greenwashing, green perceived risk, switching intention

1. Introduction

Environmental issues are becoming very popular among consumers around the world and have become a popular topic for research among the industrial sector. Concerns about global warming make consumers increasingly aware of environmental problems (Chen, 2015) which causes manufacturers to strive to market environmentally friendly products or green products. Increasing

consumer awareness of the environment causes companies to implement environmental issues as one of the marketing strategies known as green marketing.

Green marketing is an activity designed by companies to meet human needs by reducing adverse impacts on the environment (Arseculeratne, 2014). One company that follows the trend of being environmentally friendly is the Coca-Cola Company by using environmentally friendly packaging called Plant Bottle which utilizes materials derived from natural plants and can be recycled. Coca-Cola's Plant Bottle packaging is said to help reduce carbon is considered a greenwashing scam by an environmental group in Denmark.

Coca-Cola's Plant Bottle packaging was launched in 2009 and is considered to overestimate environmental benefits with no evidence. Many have criticized *Coca-Cola's* claims of using the word 'plant' and excessive green colors such as circular logos that generally mean recycling. What Coca-Cola did with Plant Bottle packaging turned out to cause a different perception in the eyes of environmentally concerned consumer groups who consider Coca-Cola with *Plant Bottle* packaging is *greenwashing*.

Misinformation allows consumers to make wrong purchasing decisions, as a result consumers will experience risks from green product purchasing decisions due to increased greenwashing activities carried out by companies (Chen, 2013). Aji and Sutikno (2015) examined the direct relationship between greenwashing and green perceived risk, the results had a positive effect. The increase in greenwashing is causing consumers to be confused by environmentally friendly information that turns out to be incompatible with the true benefits. Aji and Sutikno (2015) examined the direct relationship between green perceived risk and switching intention, the results did not have a positive influence.

The gap encourages researchers to prove empirically how the impact of Coca-Cola greenwashing with Plant Bottle packaging on Coca-Cola consumers in Indonesia. In addition, researchers also developed studies from Chen and Chang (2013), Aji and Sutikno (2015) by adding green perceived risk as a moderation variable.

2. Literature Review

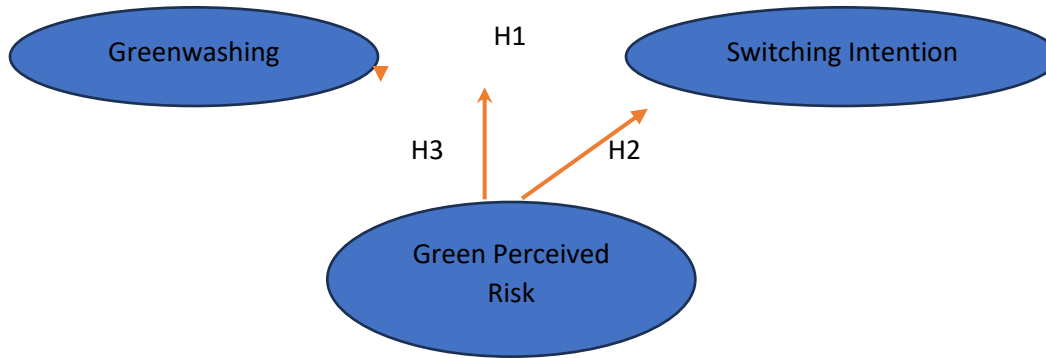
According to a study, a company's consumer desire to switch to using a company's products and services is known as switching intent (Zhang, Cheung and Lee; 2012). The intention to switch is mainly related to the concept of "green" related to environmental concerns or in other words related to the practice of "greenwashing". The perception of greenwashing can damage consumer attitudes towards a product which will affect the intentions and behavior of consumers who may ignore purchasing decisions or switch to other products (Chen and Chang, 2012). Peiris and Nishadi (2019) examined the direct relationship that links greenwashing with switching intentions and the results are no direct relationship. With this, the researcher will reexamine the study as follows:

H1: Greenwashing positively affects switching intention

Research by Chen and Chang (2012), Aji and Sutikno (2015), Susiari and Suparna (2016), Tarabieh (2022) shows that *Greenwashing* has a positive effect on *Green Perceived Risk*. With regard to perceived risk, consumers assume a high risk to a product, they probably won't buy that product. With this, researchers will propose research as follows:

H2: Green perceived risk positively affect switching intention

H3: Green perceived risk moderates relationship between greenwashing and switching intentions



3. Research Methodology

3.1 Type of Research

This type of research is associative research. The data collection method uses surveys and questionnaires. Survey research is research conducted on large or small populations, the data obtained are data from samples in the population, so that relative events, distribution, and relationships between variables are found.

This study is to determine the effect of *greenwashing* on switching intentions through *green perceived risk as a* moderation variable. This study examines the facts that occur and are experienced by the research subject.

3.2 Population, sample, sample techniques

The population in this study is Coca-Cola Plant Bottle consumers in Indonesia. The sampling technique uses convenience sampling of consumer in Indonesia because this technique is collecting of information from members of the population who agree to provide that information. Sample measurement using the lemeshow formula is:

Based on the results of the calculation above, obtained 96.04 researchers will round it to 100 to avoid errors.

$$n = \left(\frac{z^2 p(1-p)}{d^2} \right) = \left(\frac{(1,96)^2 \times 0,5(1-0,5)}{(0,10)^2} \right) = 96,04$$

3.3 Measurement

Researchers conducted measurements for greenwashing, switching intention and green perceived risk based on relevant literature. Measurement using a questionnaire with a Likert scale from 1 = strongly disagree to 5 = strongly agree

4. Results

Hypothesis	Independent Variable	Dependent Variable	Original Sample (O)	T Statistic	P Value	Result
H1	Greenwashing	Switching intention	-0,003	0,020	0,984	Not supported
H2	Green perceived risk	Switching intention	0,411	2,826	0,005	Supported
H3	Green perceived risk x Greenwashing	Switching intention	0,044	0,295	0,768	Not Supported

5. Discussion

Green perceived risk has a positively significant effect on switching intention by (0.411) with t statistic (2.826 > 1.96) or p value (0.005 < 0.05) each change in green perceived risk will significantly increase switching intention. Greenwashing had no significant effect of (-0.003) with a statistical t (0.020 < 1.96) or p value (0.984 > 0.05). Green perceived risk did not moderate the effect of greenwashing on multi-dimensional intentions by 0.044 with a t statistic (0.295 < 1.96) or p value (0.768 > 0.05).

6. Conclusion

It found that green perceived risk has a positively significant on the switching intention in Plant Bottle Coca-Cola consumers. Research model includes a variety factor apart from greenwashing, green perceived risk and switching intention. All of these have been estimated to affect and moderates to the switching intention. But after this questionnaire spread, the result shows that greenwashing not affect to the switching intention and green perceived risk not moderates relationship between greenwashing and switching intention.

6.1 Recommendation

Green perceived risk is proven to have a positive and significant effect on the switching intention to Plant Bottle Coca-Cola. This shows that corporations need to take action to reduce the level of perceived environmentally friendly risk and increase the perceived value of being environmentally friendly to consumers, such as by providing information transparency regarding the company's progress in efforts to repair the environmental damage caused. Consumers are more likely to appreciate and trust small environmental improvements made by a company than if the company misrepresents or is dishonest about its performance. That way consumers will continue to maintain their trust in Coca Cola and not switch to other products

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