Negative Marketing in The Softdrink Industry: The Effect of Greenwashing Perceptions on Purchase Intention Through Brand Image on Sprite

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Abstract: This study examines the impact of greenwashing perceptions on consumer purchase intention for eco-friendly soft drinks in Jakarta, with brand image as a moderating variable. Although the public is increasingly aware of the importance of eco-friendly products, corporate marketing practices have not supported this trend. Using descriptive and quantitative methods, with 73 respondents selected through purposive sampling and analyzed using SmartPLS 3.2.9, the results show that greenwashing perceptions affects brand image but does not influence purchase intention. Brand image also does not affect purchase intention or mediate the relationship between greenwashing and purchase intention. In conclusion, transparency and sustainability are crucial to avoiding greenwashing and enhancing brand image and consumer purchase intention.

Keyword: Greenwashing, Greenwashing Perceptions, Brand Image, Purchase Intention

INTRODUCTION

The world is currently grappling with a significant environmental challenge: global warming. This issue is characterized by rising emissions of greenhouse gases like carbon dioxide and methane, leading to increased global temperatures, higher sea levels, and extreme weather changes. A major contributor to global warming is non-biodegradable plastic waste, which results in severe environmental pollution and greenhouse gas emissions during its production. Beverage companies, including Sprite from The Coca-Cola Company, play a role in this plastic waste problem.

Sprite, recognized for its iconic green plastic bottles, faced significant criticism over environmental concerns. In 2021, Sprite switched to clear plastic bottles that are easier to recycle and launched the #LihatDenganJernih initiative to promote the recycling of PET plastic, collaborating with various partners. This initiative is part of Coca-Cola's green marketing strategy to foster an eco-friendly brand image.

However, green marketing can sometimes devolve into greenwashing, where companies falsely present themselves as environmentally friendly. This can erode consumer trust if it becomes evident that the company overstated its environmental efforts. Despite such allegations, data indicates Sprite has increased its ranking as a favored soda brand in Indonesia. This study will explore the effects of greenwashing on brand image and purchase intention within the soft drink industry, particularly focusing on Sprite in Indonesia, given that consumer awareness and understanding of greenwashing are still relatively low.

From the background above, the problem formulation in this research is as follows:
1) Does Greenwashing Perceptions affect Brand Image?
2) Does Greenwashing influence Purchase Intention?
3) Does Brand Image influence Purchase Intention?
4) Is Brand Image acting as a mediator in the relationship between Greenwashing and Purchase Intention?

Green Marketing

Green marketing is a strategy employed by companies to develop, market, price, and distribute products with a focus on environmental preservation (Polonsky, 2011). According to (Polonsky, 2011), green marketing encompasses all activities aimed at facilitating the exchange of goods and services to meet human needs while minimizing negative environmental impacts. It can be known by various terms such as sustainable, ecological, or environmental marketing, but its essence remains the same (Malyan & Duhan, 2018). This involves planning all activities to meet human needs and facilitate their satisfaction with minimal environmental impact (Singhal & Malik, 2018). By selling products and services, green marketing ensures that environmental factors are considered, satisfying consumers while maintaining environmental sustainability (Singhal & Malik, 2018). Green marketing is a method that can lead to significant business growth as it helps raise public awareness about the need to protect the environment (Malyan & Duhan, 2018).

Greenwashing perceptions

Greenwashing perception is the consumers' recognition of increased corporate communication about the environment that is not accompanied by actual actions, which can reduce their interest in purchasing the company's products (Nyilasy et al., 2014). Greenwashing is a process in which companies highlight the environmental goodness of a service or product while hiding environmentally unfriendly aspects (Schmuck et al., 2018). On the other hand, greenwashing refers to misleading information conveyed by organizations to present an environmentally responsible image to the public through untrue claims (Francis et al., 2007).

Purchase Intention

Purchase Intention is consumers' behavior toward the desire to purchase and use a particular brand (Haryanto & Arty, 2019). Purchase intention is the act and behavior of a person that directs and prioritizes a specific brand of a product or service to be chosen first when making a purchase (Wijaya & Susilawaty, 2023). Purchase intention is the probability or inclination of a consumer to choose and buy a specific product or service in the future (Novita & Rowena, 2019).The intention to purchase increases with adequate understanding that the benefits obtained are more valuable than the costs incurred. According to (Muhammad Akram Khan, 2003), consumers aiming to buy show higher levels of purchasing. Conversely, (Niessen & Hamm, 2008) states that sometimes buyers are enthusiastic about their purchase intentions. The intention to buy green products is shaped by environmental concern and attitudes towards purchasing eco-friendly products. This intention can also reflect a personal desire to make purchasing decisions that favor either green or non-green products (Riyanto et al., 2023). For

example, more than 50% of those intending to buy organic food, but only 15% actually purchase the product (Niessen & Hamm, 2008). Consumers tend to buy a product when they realize its existence and importance (Bagozzi & Yi, 2018; Haenlein & Kaplan, 2004). (Fiore, 2008) suggests that although product packaging may appear simple, it influences buyers' purchase intentions. Furthermore, perceived value affects the intention to purchase because buyers tend to compare product characteristics with those of substitutes. This means that the higher the perceived value of a product, the higher the intention to purchase (Bagozzi & Yi, 2018).

Brand Image

Brand image refers to the personality characteristics of a company or one of its brands in the market (Dong, 2016), as well as consumers' perceptions of the brand or product (Malmelin & Moisander, 2014), which are reflected through consumer memory (Leone et al., 2006). This concept of brand image is subjective and shaped by consumers and their personal emotions. Empirical research on brand image has shown its impact on consumer behavior, such as customer satisfaction and customer loyalty (Zhang, 2015).

Hypothesis

H1:   Greenwashing Perceptions influences Brand Image.
H2:   Greenwashing influences Purchase Intention.
H3:   Brand Image influences Purchase Intention.
H4:   Brand Image mediates the relationship between Greenwashing and Purchase Intention.
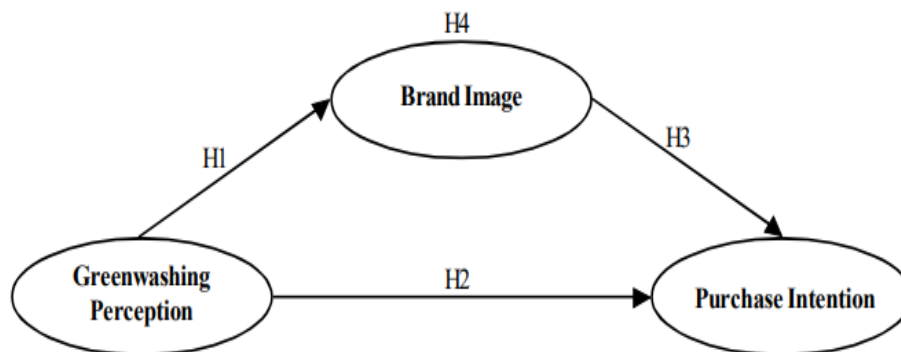

Figure 1. Conceptual Framework

METHOD

This study employs a quantitative approach, utilizing numerical data for analysis and adhering to scientific principles such as empirical evidence, objectivity, measurability, systematic procedures, and rationality. Data was collected using surveys, an effective method for describing population conditions by sampling specific groups and employing questionnaires (Wahyudi, 2019). The survey measurements utilized a Likert scale to assess perceptions, opinions, or attitudes, with scores for positive and negative questions ranging from 1 to 5.

Purposive sampling was used to select participants with specific characteristics relevant to the study, ensuring clear questionnaire distribution. The research focuses on greenwashing perceptions, purchase intention, and brand image, using operational definitions informed by previous studies.

To ensure the validity and reliability of the instruments, the Outer model evaluates indicators measuring the constructs, including convergent and discriminant validity, and

composite reliability (Cronbach's alpha). Convergent validity checks how well an instrument correlates with similar constructs, with acceptable loading factors above 0.5. Discriminant validity ensures constructs are distinct, assessed through cross-loading values expected to exceed 0.70.

RESULTS AND DISCUSSION

The questionnaire was distributed from April 27 to May 10, 2024, collecting responses from 73 individuals who met the research criteria. This sample size is adequate for the study's analysis. The survey was shared via the researcher's social media accounts (Instagram and Facebook) and through environmental community groups such as Zero Waste Indonesia.

Respondents' ages were categorized as follows: 16.4% (12 respondents) were aged 16-20 years, 76.6% (56 respondents) were aged 21-25 years, and 6.8% (5 respondents) were aged 26-30 years. The majority of Sprite consumers were in the 21-25 age range, comprising 76.6% of the sample, indicating that most consumers are from Generation Z. Geographically, 23.3% of respondents were from East Jakarta, 21.9% from West Jakarta, 20.5% from North Jakarta, 17.8% from South Jakarta, and 16.4% from Central Jakarta, with the highest Sprite consumption observed in East and West Jakarta.

For data analysis, SmartPLS 3.2.9 software was used. The analysis involved applying the PLS algorithm, checking convergent validity using factor loading and Average Variance Extracted (AVE), and verifying discriminant validity with cross-loading. Reliability was assessed with Cronbach's alpha, composite reliability, and R Square. The relationships between variables were evaluated using bootstrapping based on t-statistic values.

Validity Test

Table 1. Outer Loading

	Brand Image	Greenwashing perceptions	Purchase Intention
B1	.832		
B2	.814		
B3	.844		
GP1		.789	
GP2		.713	
GP3		.717	
GP4		.748	
GP5		.745	
GP6		.760	
PI1			.765
PI2			.746
PI3			.756
PI4			.803

Source: Data processed (2024)

It can be seen in Table 1. that all indicators are deemed valid as the outer loading values exceed the minimum threshold, which is greater than 0.7.

Table 2. AVE and Composite Reliability

	AVE	Composite Reliability
Brand Image	.689	.869
Greenwashing Perception	.556	.882
Purchase Intention	.590	.852

Source: Data processed (2024)

In Table 2., the Average Variance Extracted (AVE) results indicate varying values for all variables used in this study. The values for all variables are valid and meet the criteria for convergent validity.

Table 3. Heterotrait-Monotrait Ratio (HTMT)

	Brand image	Greenwashing Perceptions	Purchase Intention
Brand Image			
Greenwashing Perception	.557		
Purchase Intention	.510	.620	

Source: Data processed (2024)

The researcher used HTMT to test discriminant validity, with the condition that the HTMT value must be below 0.9 for the data to be considered valid. The data in Table 3. indicate that all variables have HTMT values below 0.9, which means that all variables are considered valid and pass the HTMT validity test.

Reliability Test

Table 4. Cronbach's alpha and Composite Reliability

	Cronbach's alpha	Composite Reliability
Brand Image	.775	.869
Greenwashing	.842	.882
Purchase Intention	.769	.852

Source: Data processed (2024)

Based on the results shown in the table above, the values of Cronbach's alpha and composite reliability are all above 0.70, indicating that all variables in this study are demonstrated to be reliable and have good reliability. From the validity and reliability tests conducted, the results are acknowledged as valid and reliable, as shown below. Therefore, further testing can proceed to obtain the research outcomes.

Table 5. r-square

	r-square
Brand Image	.235
Purchase Intention	.296

Source: Data processed (2024)

Based on the table above, the R-square results indicate that brand image is influenced by greenwashing perception by 0.235 or 23.5%, while the remainder is influenced by other variables not examined. The purchase intention variable is influenced by greenwashing perception and brand image by 0.296 or 29.6%, with the remainder influenced by other variables not examined in this study.

T test

Table 6. Direct Hypothesis Test Results

	Original Sample (O)	T Statistics (|O/STDEV|)	P Values	Hypothesis Results
Brand Image - Puchase Intention	.181	1.224	.221	Rejected
Greenwashing Perceptions - Brand Image	-.458	5.375	0	Accepted
Greenwashing Perceptions - Purchase Intention	-.433	3.800	0	Accepted

Source: Data processed (2024)

Hypothesis 1: The research results indicate that greenwashing perception affects brand image, with a t-statistic value of 5.375 and a p-value of 0.000, which is below the significance threshold of 0.05. This aligns with previous studies showing that greenwashing activities can degrade a company's reputation or brand image. In Jakarta, people often don't distinguish greenwashing until the issue is raised by the media, leading to poor purchasing decisions. Sprite should adopt transparent and sustainable business practices to enhance brand image and avoid greenwashing. Collaborating with relevant parties can strengthen Sprite's claims about sustainable practices and reinforce its brand image.

Hypothesis 2: The test results showed a t-statistic of 3.800 and a p-value of 0.000, indicating significance below 0.05 and accepting Ha. Despite greenwashing, most consumers still buy Sprite, considering factors like quality and brand benefits, and the limited market options for fresh sodas. (Bruhn et al., 2014) noted that knowledgeable consumers critically evaluate marketing, while (Brouwer, 2016) found that some consumers believe companies exaggerate eco-friendly claims, affecting perceptions despite limited information. This aligns with the study's data, showing no significant relationship between greenwashing perception and purchase intention, likely due to low awareness and difficulty verifying green claims.

Hypothesis 3: Brand image does not influence purchase intention, as indicated by a t-statistic of 1.224 and a p-value of 0.221. This suggests that Sprite's brand image does not affect consumers' purchase intention. This could be due to consumers' perceptions of the company's sustainability practices. If consumers believe Sprite engages in greenwashing, this can damage its brand image. When consumers view a brand's sustainability efforts as manipulative rather than genuine, they may lose trust in the brand. Therefore, even with a strong brand image, perceived dishonesty can reduce its impact on purchase intention. Other factors, such as service, quality, and product benefits, might play a more significant role in influencing consumer choices.

Table 7. Indirect Hypothesis Test Results

	Original Sample (O)	T Statistics (|O/STDEV|)	P Values	Hypothesis Results
Greenwashing Perceptions - Purchase Intention	-.088	1.053	.293	Rejected

Source: Data processed (2024)

Hypothesis 4: Brand Image does not mediate the relationship between Greenwashing Perception and Purchase Intention. Previous research indicates that brand image does not influence greenwashing perception and purchase intention due to various reasons, including the diversity of environmentally friendly soft drink brands used as references, making it difficult to measure the brand image of each (Utami, 2022). Additionally, there may be other

factors not examined in this study, such as personal values, previous experiences with brands, or external influences like media reports, which play a more significant role in shaping purchase intentions in the context of greenwashing perceptions, diminishing the mediating effect of brand image.

CONCLUSION

Based on the data analysis results, this study confirms that greenwashing perception significantly impacts brand image. This finding aligns with previous research indicating that greenwashing practices can damage brand reputation by raising doubts about company claims. Despite being aware of Sprite's greenwashing, the majority of consumers still choose to purchase the product, influenced by its quality, benefits, services, and the limited availability of fresh soda options. However, the lack of understanding about greenwashing in Jakarta leads to a less significant relationship between greenwashing perception and purchase intention. Additionally, the research indicates that brand image does not directly influence purchase intention. This suggests that consumer trust in Sprite could be affected if it is perceived as dishonest or irresponsible toward the environment. Nevertheless, companies need to strengthen product quality and provide education on sustainability to enhance purchase intention. Furthermore, brand image does not mediate the relationship between greenwashing perception and purchase intention, possibly due to the difficulty in measuring each brand's image amidst various available options. Therefore, companies need to focus on other strategies to improve brand image and boost purchase intention, such as enhancing product quality and educating consumers about sustainability practices.

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