



THE IMPACT OF GREEN MARKETING ON PURCHASE INTENTION OF NATURAL BEAUTY PRODUCTS FROM MSMEs IN INDONESIA

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ABSTRACT

This study aims to analyze the impact of green marketing on consumer purchase intentions on green products offered by Micro, Small and Medium Enterprises (MSMEs) in Indonesia. The implementation of green marketing strategies is increasingly relevant in the context of increasing consumer awareness of environmental issues and the importance of sustainability. However, there are challenges for MSMEs in adopting green marketing, including high implementation costs and low levels of consumer awareness. This study uses a quantitative approach with a survey method involving a number of MSME green product consumer respondents in Indonesia. As public awareness of environmental issues increases, consumers are increasingly choosing environmentally friendly and sustainable products. The research method used is a survey with a questionnaire distributed to consumers who have experience buying natural beauty products. The collected data were analyzed using descriptive statistics and regression techniques to identify the relationship between green marketing strategies-including environmental communication, product labeling, and brand image-with purchase intention. The results show that green marketing significantly influences purchase intention, where consumers are more likely to choose products from MSMEs that implement environmentally friendly practices. The findings provide important implications for MSMEs in formulating effective marketing strategies to attract the attention of consumers who are increasingly concerned about sustainability.

Keywords: Green Marketing, Purchase Intention, Natural Beauty Products, MSMEs, Sustainability.

INTRODUCTION

Creative industry Micro, Small and Medium Enterprises (MSMEs) are a sector that actively produces handicraft and creativity-based goods in Indonesia. Unfortunately, most of these MSME products are still conventional and less environmentally friendly. In fact, the current market trend is shifting towards green products that have environmentally friendly characteristics. Green products refer to goods that are produced and packaged with recycled, organic, or other environmentally friendly materials (Chen & Chang, 2012). Some important attributes of green products include being easily recyclable, made from natural and sustainable resources, and low-



carbon. Consumer interest in green products continues to increase due to awareness of the importance of environmental conservation (Gershoff & Frels, 2015).

However, green creative MSMEs in Indonesia still struggle to introduce and promote green products to their market. One potential way is the implementation of green marketing strategies (Ismawati et al., 2019). Several studies have shown that green marketing is able to influence consumer buying interest in MSME green products (Govindan et al., 2014; Manfreda et al., 2020). Therefore, this study aims to analyze the effect of MSME green marketing on consumer buying interest in their green products.

The development of public awareness of the environment and sustainability has increasingly encouraged companies, including Micro, Small and Medium Enterprises (MSMEs), to adopt green marketing strategies. Green marketing refers to a company's efforts in promoting environmentally friendly products and services, either through sustainable production processes or the use of recyclable raw materials. This trend is not only growing in developed countries, but is also starting to be adopted by MSMEs in Indonesia in response to the increasing demand of consumers who are more concerned about environmental issues.

MSMEs play an important role in Indonesia's economy as they account for the majority of employment and national Gross Domestic Product (GDP). Therefore, the ability of MSMEs to adapt to changing market trends, including green marketing, is crucial for their business survival. Based on a Nielsen survey (2021), 81% of global consumers stated that they tend to buy products from companies that are committed to sustainable business practices. This phenomenon encourages MSMEs in Indonesia to pay more attention to how the implementation of green marketing can influence consumer purchase intentions for the green products they offer.

The importance of green marketing is also increasingly relevant with government regulations and initiatives that encourage sustainable business practices. For example, Law No. 32 of 2009 on Environmental Protection and Management stipulates that all businesses, including MSMEs, apply environmentally friendly principles in their business operations. In addition, the "Green Economy" campaign promoted by the Indonesian government has also increased the pressure for MSME players to adopt green marketing strategies.

However, despite green marketing being a promising strategy, the implementation of this concept still faces several challenges, especially in the context of MSMEs in Indonesia. These include a lack of understanding of the benefits of green marketing, the additional costs that may arise from implementing environmentally friendly practices, as well as varying levels of consumer awareness regarding green products. Therefore, this study aims to analyze the impact of green marketing on consumer purchase intentions for green products among MSMEs in Indonesia.

This research is important because it will provide deeper insights into the extent to which green marketing can influence consumer behavior, particularly in the context of the Indonesian market. By understanding the factors that influence consumer purchase intention towards green products, MSMEs are expected to develop more effective marketing strategies, while contributing to environmental conservation efforts.

LITERATURE REVIEW

Green marketing is a marketing strategy that emphasizes the importance of producing and promoting products with minimal environmental impact. This concept is becoming increasingly relevant with the increasing public awareness of environmental and sustainability issues.

According to Ottman (2017), green marketing does not only focus on economic benefits, but also on the environmental responsibilities carried out by the company. In addition, Kotler and Keller (2016) added that the implementation of green marketing can help companies build a positive image in the eyes of consumers who care about the environment.

Consumer purchase intention towards green products has become an important concern in consumer behavior research. Ajzen (1991) states that purchase intention is a key indicator of consumer behavior, which is influenced by attitudes, subjective norms, and perceived behavioral control. In the context of green products, research by Chen and Chang (2013) shows that trust in green products, perceived quality, and green brand image have a significant influence on consumer purchase intentions. Dagher and Itani (2014) also emphasize that consumers are more likely to buy green products if they believe that the products are of good quality and truly support sustainability efforts.

The implementation of green marketing in the context of Micro, Small and Medium Enterprises (MSMEs) in Indonesia still faces a number of challenges. According to Wulandari and Hidayat (2021), limited knowledge, technology, and costs are the main obstacles for MSMEs in adopting green marketing strategies. However, Mardiana and Kartika (2020) show that consumer demand for environmentally friendly products in Indonesia is increasing, creating opportunities for MSMEs to implement green marketing to improve competitiveness. Previous research has also identified a number of factors that influence green product purchase intentions. Setyawati et al. (2020) found that high environmental awareness among Indonesian consumers is positively correlated with green product purchase intention. In addition, Rahmat et al. (2023) showed that consumer involvement in sustainability-focused marketing campaigns can strengthen green product purchase intentions. Based on the findings from various literatures, it is clear that the implementation of green marketing by MSMEs in Indonesia can contribute to increasing consumer purchase intentions. Factors such as environmentally friendly brand image, consumer trust in green claims, and product quality are important elements that MSMEs must consider in their marketing strategies.

METHOD

Quantitative research type is used in this study to statistically examine the effect of the object of research in the form of Green Marketing, Persepsi Kualitas Produk, Kesadaran Lingkungan, Harga Produk, Customer Engagement. The analysis method uses path analysis with calculation tools using IBM SPSS Version 25. The two regression equations that will be tested using the path include:

Equation I Equation II Description

: $\text{Minat Beli} = \beta_{\text{Green Marketing}} + \beta_{\text{Persepsi Kualitas Produk}} + e_1$

: $\text{Minat Beli} = \beta_{\text{Kesadaran Lingkungan}} + \beta_{\text{Harga Produk}} + e_2$:

β : path Coefficient

e : Error level

The series of tests used in this study include linear regression analysis, classical assumption test, hypothesis testing, and path analysis.

1) Linear Regression Analysis

Multiple regression analysis was carried out in this study to build a model equation so that the direct effect between variables could be known in formulating path analysis (Sugiyono, 2018).

2) Classical Assumption Test

a. Normality Test

The normality test aims to test whether the regression model has a normal distribution or not (Sugiyono, 2018). In the normality test using Kolmogorov Smirnov testing, the condition is that if Asymp. Sig. (2-tailed) is greater ($>$) $\alpha = 0.05$ the data is normally distributed.

b. Multicollinearity Test

The multicollinearity test aims to test whether the regression model found a correlation between independent (free) variables (Sugiyono, 2018). The test requirement that applies is that the VIF value <10 indicates that there is no multicollinearity problem.

c. Heterogeneity Test

The heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another (Sugiyono, 2018). In this study using the Glejser test, with the criteria that the significance value (p-value) of each independent variable in the residual regression results is greater ($>$) than the 5% significance level or $\alpha = 0.05$, indicating the absence of heterogeneity problems.

d. Autocorrelation Test

The autocorrelation test aims to test whether in the linear regression model there is a correlation between confounding errors in period t and confounding errors in period $t-1$ (previous) (Sugiyono, 2018). The autocorrelation test is carried out with the Durbin-Watson test (DW test), with the condition that if the DW value is close to 2, then there is no autocorrelation.

3) Hypothesis Test

a. Partial Test (t-Test)

The t-statistical test is used to find how far the direct influence of the independent variable is partially in influencing the dependent variable (Sugiyono, 2018). The condition is said to have a significant effect if it has a T-statistic value $>$ T table (2.228) and p-value <0.05 .

b. Coefficient of Determination

The Coefficient of Determination (R^2) is a value that shows the amount of contribution or contribution of the independent variables to the dependent variable in a regression model (Sugiyono, 2018). The main function of the coefficient of determination is to measure how much the regression model's ability to explain variations in the dependent variable.

4) Path Analysis

Path analysis is a combination of two-equation models built to analyze the indirect relationship between three variables. The significance criterion for the indirect effect

produced by the intervening variable is if the total value of the direct effect is smaller (<) than the total indirect effect.

RESULT AND DISCUSSION

Linear Regression Analysis

Table 1. Multiple Linear Regression Test Results

Model	Coefficients^a		t	Sig.
	Unstandardized Coefficients	Standardized Coefficients		
	B	Std. Error		
1 (Constant)	30756.380	2.471	.383	.703
Green Marketing (X1)	.424	.120	.447	.3516
Environmental Awareness (X3)	.061	.199	.045	.2458

a. Dependent Variable: Purchase Intention (Y)

Based on the data above, the Multiple Linear Regression equation formed is:

$$Y = 30756.380 + 0.424 \text{ Green Marketing} + + 0.061 \text{ Environmental Awareness} + e$$

The test result with a value of 30756.380 is a constant or a state when the interest variable has not been influenced by other variables. If the independent variable does not exist, the dependent variable will not change. The analysis results explain that the independent variable has a significant value which does not exceed 0.05, so it is known that the independent variable is significant in influencing the dependent variable (Purchase Intention) in facing global competition.

Classical Assumption Test

a. Normality Test

It can be seen that in Table 2, all regression equation models have a p-value of 0.200, which means that they have met the normality requirements because they are greater than $\alpha = 0.05$.

Table 2. Klomogrov Smirnov Test Results

Regression Model	Asymp. Sig. (2-tailed)
Equation	0,200

b. Multicollinearity Test

From table 4, it can be seen that the VIF value of all variables in equation I and equation II has met the requirements, where the value is less than (<) 10. This means that there is no case of multicollinearity between independent variables in each regression model equation that has been built.

Table 3. Multicollinearity Test Results

Variable	Colienarity Statistic
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	VIF	Tolerance
Green Marketing (X1)	1.497	.668
Perceived Product Quality (X2)	1.768	.566
Environmental Awareness (X3)	2.012	.497
Product Price (X4)	1.690	.592
Dependent Variable: Purchase Intention (Y)		

c. Heteroscedasticity Test

Based on the heteroscedasticity test graph that has been carried out, the points or items that spread randomly and spread both above and below zero on the Y axis, it can be said that there is no heteroscedasticity in the regression model of this study. Based on the results of the classical assumption test that has been carried out on data processing using the SPSS 25.0 program. Normality test, multicollinearity test and heteroscedasticity test, it is known that all classical assumption tests are met, so we can proceed with the regression test.

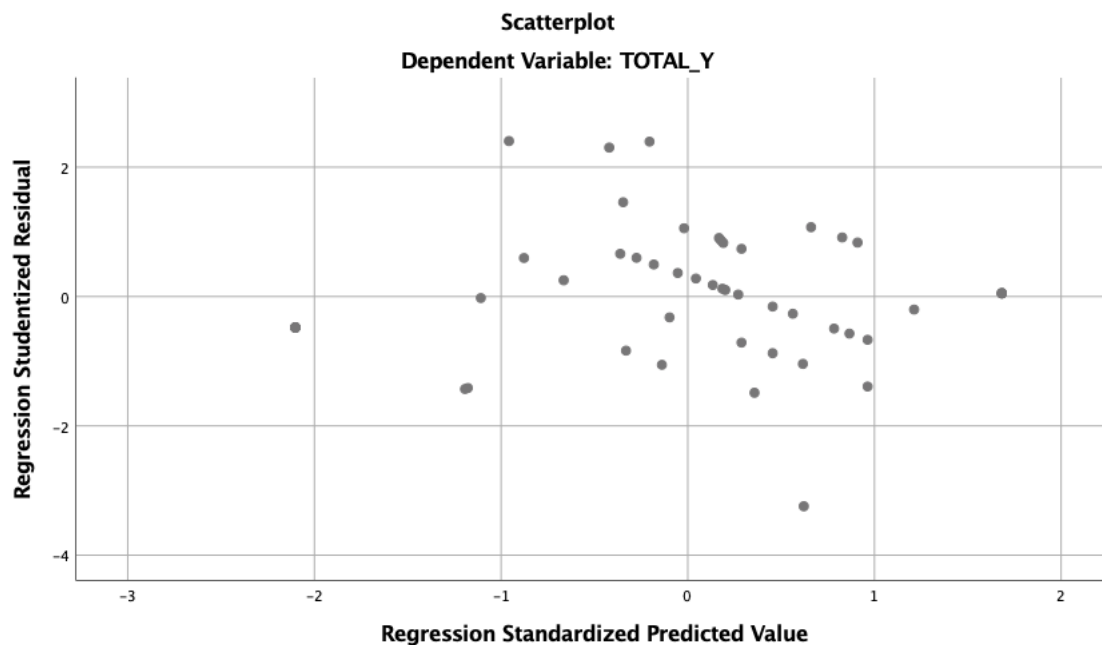


Figure 1. Heteroscedasticity Test

Hypothesis Test

a) Partial Test (t-test)

Table 4. Partial Test Results (t Test)

Variable	t	Sig.	Result
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Green Marketing(X1)	3.516	0.000	Significant
Perceived Product Quality (X2)	4.562	0.000	Significant
Environmental Awareness (X3)	2.458	0,003	Significant
Product Price (X4)	2.299	0.004	Significant

Dependent Variable: Purchase Intention (Y)

Based on Table 4, it shows that in the equation all independent variables (green marketing, Perceived Product Quality, Environmental Awareness, and product price) meet the partial test significance requirements, so it can be concluded that the four variables have a significant influence on buying interest in purchasing natural beauty products through green marketing in Indonesian MSMEs, because they have a p-value $< \alpha = 0.05$ and $t_{count} > t_{table}$, which is 2.156.

b) Coefficient of Determination

Based on Table 5, it is known that the coefficient of determination of the equation regression model is 515, meaning that the regression model is able to explain 51.5% of the variation, while the other 48.5% is explained by other variables not included in the model.

Table 5. Determination Coefficient Results

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of The Estimate
1	.717 ^a	.515	.472	1.41707
a. Predictors: (Constant), Product Price (X4), Perceived Product Quality (X2), Green Marketing (X1), Environmental Awareness (X3)				
b. Dependent Variable: Purchase Intention (Y)				

Path Analysis

Table 6. Path Coefficient

Coefficients ^a					
		Unstandardized Coefficients		Standardized Coefficients	
Model		B	Std. Error	Beta	t
1	(Constant)	30756.380	2.471		.383
	Green Marketing (X1)	.424	.120	.447	3.516
	Perceived Product Quality (X2)	.287	.190	.209	4.562
	Environmental Awareness (X3)	.061	.199	.045	2.458
	Product Price	.233	.180	.175	2.299

a. Dependent Variable: Purchase Intention
 (Y)

From the path coefficient table above, a path diagram can be formed as in Figure 2.

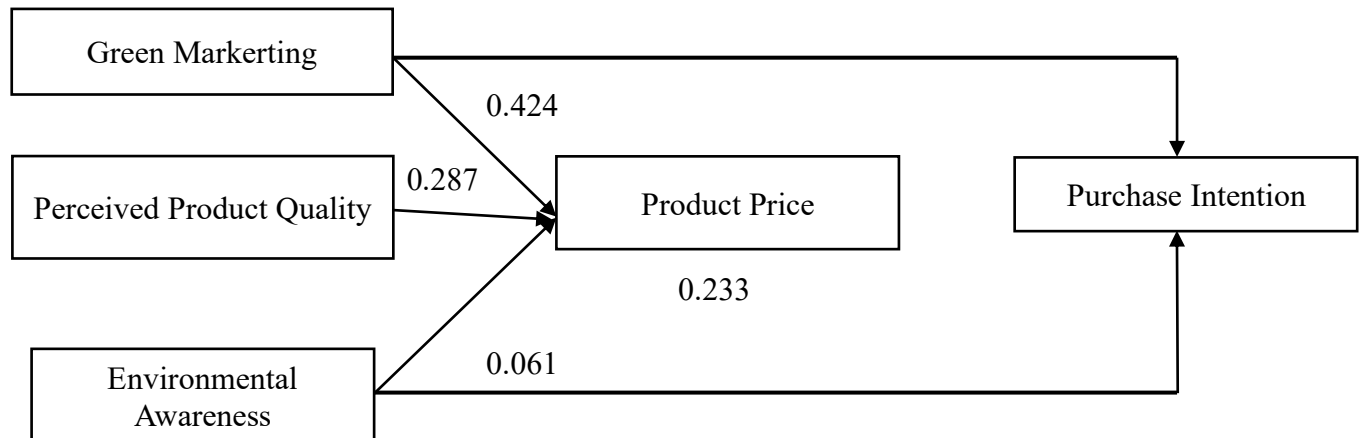


Figure 2. Path Diagram

Based on Table 6 and Figure 2, it can be shown the effect of the influence of the independent variables (Green Marketing, Perceived Product Quality, Environmental Awareness, Product Price) on the dependent variable, namely Purchase Intention.

1. It is known that the significance of the green marketing variable is 0.000 smaller than 0.005, so it is said that the green marketing variable has a significant effect on the dependent variable of buying interest in natural beauty products through green marketing MSMEs in Indonesia.
2. It is known that the significance of the Perceived Product Quality variable is 0.000 smaller than 0.005, it is said that the green marketing variable has a significant effect on the dependent variable of buying interest in natural beauty products through green marketing MSMEs in Indonesia.
3. It is known that the significance of the Environmental Awareness variable is 0.003 smaller than 0.005, it is said that the green marketing variable has a significant effect on the dependent variable of buying interest in natural beauty products through green marketing MSMEs in Indonesia.
4. It is known that the significance of the product price variable is 0.004 smaller than 0.005, it is said that the green marketing variable has a significant effect on the dependent variable of buying interest in natural beauty products through green marketing MSMEs in Indonesia.

Discussion

The Effect of Green Marketing MSMEs on Consumer Purchase Interest

Green marketing is able to influence consumer buying interest because it is able to build an environmentally friendly brand image. This is in line with the discovery of the effect of environmental communication and product labeling on consumer buying interest in research by Bestari et al (2021), stating that the contribution of MSME businesses is considered quite significant for the development of the economic structure, however, MSME sector actors must continue to set strategies so that this contribution can continue to grow. To achieve sustainability and continue to make a positive contribution, MSMEs must have a business strategy and competitiveness strategy that is relevant to market conditions. Discussions about environmentally friendly products are increasingly being discussed. The high desire of the public to buy environmentally friendly products illustrates that more and more consumers are becoming aware of environmental conservation and minimizing environmental pollution due to the consumption of certain products. This is considered an opportunity, companies try to respond positively and encourage companies to do innovative things by introducing new strategies known as green marketing strategies, known as green marketing strategy. Researchers will try to see how green marketing strategies affect green customer trust, then how green marketing strategies and green customer trust affect green purchase intention and green purchase behavior in the MSME sector, especially in the type of handmade Indonesian products that are environmentally friendly. The results of the study state that green marketing, green customers, and green purchase intentions have a huge influence in shaping the purchasing behavior of purchasing environmentally friendly products on green consumers.

The many benefits that green marketing brings to umkm in Indonesia are also supported by research conducted by Rachmawati et al (2023) The results of the analysis show that green marketing has the highest coefficient value, therefore green marketing is the most dominant factor in business continuity in MSMEs. Perhaps this is due to an increase in awareness of ecofriendly among the public so that implementing green marketing is the right strategy at this time. Thus, MSMEs must implement green marketing strategies to maintain their business sustainability even though relationship marketing has a lower impact, MSMEs must still consider relationship marketing to be implemented in their business because relationship marketing also has an influence on business sustainability. A number of limitations were observed during this study. First, this study is limited to only four factors, namely relationship marketing, green marketing, and MSME business sustainability. Future research could also include other factors that contribute to business sustainability such as human resource aspects. The respondents of this study were mostly craft MSMEs, future research could try to examine a wider range of respondents as this may affect the results of the study.

The Effect of Perception of MSME Product Quality on Purchase Intention

The research findings also show that consumer perceptions of product quality have a significant effect on purchase intention. This is consistent with Zulkieflimansyah's research (2021) which states that consumers tend to buy green products if they believe that these products are of good quality and support sustainability efforts. Product quality is considered an important factor by consumers in making purchasing decisions.

Consumers will be more interested in buying MSME products if they perceive the quality to be good. This is further strengthened by research conducted by Helmi & Setyadi (2022) which states that some of the conclusions presented in this research are based on data analysis results.



For starters, brand image and brand quality have little influence on product purchase decisions. This research suggests that brand image and brand quality do not directly influence consumer product purchasing decisions. Other aspects, such as marketing or promotion optimization, are required to explain the product's image and quality. This conclusion is backed by (Helmi et al., 2022) study, which found that for customers to purchase a product, more work is required to expose the quality and brand image to the public.

The product will not sell successfully in the market if you rely solely on value and image without needing a promotional element. Second, according to this study, brand image and brand quality have a substantial impact on sales promotion. The success of MSME sales marketing is influenced by brand image and quality. Efforts to pay greater attention to clients are a critical issue that MSME actors must consider since it influences the success or failure of firms. With fewer clients, MSME companies must be able to serve them effectively because if they are unable, customers can quickly transfer to rivals that provide better services. Furthermore, the organization's capacity to provide value for clients is the next crucial component that affects the success or failure of small enterprises. This conclusion is supported by a study undertaken by (Elpanso & Helmi, 2022) that MSMEs must be able to provide value for clients, for example, by delivering new, innovative, and unusual things that rivals have not done in order to boost company success. MSME businesses will be unable to compete unless they provide value. Third, it is connected to the discovery that sales promotion has been shown to influence product purchase decisions. This study's findings corroborate prior research (Therith, 2022), which discovered that sales advertising improved product purchase decisions. It is related to the discovery that promotional tools have been shown to impact business success. According to this study, business performance in MSME enterprises is defined by how strong sales promotions are and must be backed by the product quality or product image. Furthermore, it is vital to be proactive in changes in the environment, to focus on making use of current possibilities, to be innovative, and to improve service quality. Fourth, this study demonstrates that brand image and quality can mitigate the influence of sales promotion on product purchase decisions. In terms of MSME capacity to generate, grow, and keep customer connections, the longer MSMEs operate, the greater the influence on company performance. MSMEs may achieve considerably greater economic success if they can showcase quality items with broad advertising, communicate with clients, and develop solid relationships with them. This conclusion validates the findings (Dam & Dam, 2021) that show disparities in implementing entrepreneurial marketing in new companies that have been in business for a long time to produce value for the organization.

The Effect of Consumer Environmental Awareness on Buying Interest in Green MSME Products

The more environmentally conscious consumers are, the more interested they will be in buying environmentally friendly products from MSMEs. However, the level of awareness of Indonesian consumers still varies Khan et al (2022) state that The emergence of sustainable development goals by the United Nations charter and member countries' commitment to preserve and promote environmental awareness and knowledge to shape the environmental behavior of individual society members is a key aspect of this era. In this scenario, addressing the issue of consumer resistance to green innovation products becomes vital for SMEs producing environmentally friendly green products. The empirical findings of this study demonstrate the

significance of linkages between green innovation practices and consumer resistance to green product innovation, as well as environmental knowledge and pro-environmental behavior, which have emerged as significant moderators of this unique relationship SMEs setting. This study has addressed the emerging issue of consumer resistance to green product innovation with a unique academic research construct of green innovation practices that is attracting the attention of academics and practitioners in the given theoretical and policy landscape. This study also highlights the importance of green innovation practices for SMEs' success of SMEs. By contrast, to adopt green innovation practices in the modern day, businesses, in general, and SMEs, in particular, must remodel their policies and rebuild their marketing tactics to overcome customer resistance to green product innovation.

The major findings of this study instill confidence in business leaders, SME owners, and entrepreneurs by demonstrating that effectively managing consumer resistance has a bright future for businesses and that management support in applying green innovation practices is beneficial for product acceptance among consumers. This study 6 M.A.S. Khan, J. Du, H.A. Malik et al. *Journal of Innovation & Knowledge* 7 (2022) 100280 establishes a solid foundation for policymaking and managing consumer resistance to green innovation products using various theoretical and practical insights into SME employees.

The Effect of Competitive Prices of Green MSME Products on Consumer Purchase Interest

Competitive prices are one of the keys to successful marketing of MSMEs. Therefore, MSMEs need to innovate green businesses to reduce production costs and adjust prices to consumer purchasing power to be more competitive. Thus, the influence of these factors on consumer purchasing interest in green MSME products in Indonesia needs serious attention. This finding provides an overview of a more effective MSME green marketing strategy to capture market opportunities. The results of the analysis also reveal the influence of product prices on consumer purchasing interest. This is stated in the study Tjahjadi et al (2020) which states that green market orientation has a positive effect on business performance, is supported. As stated by sustainability theory, a company needs to pay attention to environmental awareness issues, in order to achieve sustainable performance. Green market orientation as a type of marketing strategy will improve business performance if managed properly. The results of this study confirm the sustainability theory and provide additional empirical evidence for research. This research has confirmed the importance of green market orientation strategies in improving MSME business performance in the era of environmental awareness. This is also in line with the emergence of green consumers and green competitors. MSME owners/managers need to implement green market orientation to direct the company to provide environmentally friendly products, to stay ahead of the competition, and to coordinate opportunities in the market. MSMEs that are oriented towards green markets must apply the principle of sustainability in their business activities to improve business performance. Thus, the better the implementation of green market orientation, the better the business performance.

Furthermore, that green market orientation has a positive effect on green innovation is also supported. As stated by entrepreneurship theory, a company needs to innovate continuously to have sustainable performance. In today's environmentally conscious era, consumers tend to buy environmentally friendly products and encourage companies to conduct environmentally friendly business practices. Therefore, manufacturing MSMEs need to focus on green innovation to meet market needs. Green market orientation encourages companies to increase product innovation,



produce environmentally friendly products and process innovation, to minimize the negative impact of their business processes on the environment. Thus, MSME owners/managers need to have an understanding that increasing green market orientation will encourage green innovation within the company. Green innovation has a positive effect on business performance, supported. These results suggest that, in the era of environmentally conscious business competition, the role of green innovation is crucial for manufacturing MSMEs. Green innovation enables manufacturing MSMEs to drive sustainable production and contribute to performance achievement. The implementation of green innovation will result in better business performance, such as cost efficiency, increased profits, improved product quality and better reputation. Thus, MSME owners/managers need to better understand their need to continuously innovate in both green product innovation and green process innovation, to achieve better business performance.

Green innovation mediates the effect of green market orientation on business performance, is also supported. These results confirm and provide empirical evidence for sustainability theory and entrepreneurship theory in the Indonesian MSME research setting. This research also provides MSME owners/managers in East Java with a deeper understanding of the mechanism of how green market orientation affects business performance through green innovation. This research convinces MSME owners/managers of the mediating role of green innovation on the green market orientation-business performance relationship. Therefore, it is imperative to encourage green product innovation and green process innovation, to meet the needs of green consumers, as well as to compete with green competitors.

CONCLUSIONS

In conclusion, this study found that green marketing has a significant impact on purchase intention of natural beauty products from MSMEs in Indonesia. Specifically, the study revealed that consumer environmental awareness, perceived product quality, competitive product prices, and green marketing strategies such as environmental communication and product labeling influence consumer purchase intention. Consumers tend to choose MSME products that implement environmentally-friendly practices and sustainability principles. The results imply that MSMEs need to formulate effective marketing strategies that highlight their green attributes and sustainable values in order to attract consumers who are increasingly concerned about the environment. Improving product quality, setting competitive prices, and raising awareness about green initiatives are important for MSMEs to increase purchase intention. While implementing green marketing faces challenges such as costs and consumer awareness, it provides opportunities for MSMEs to enhance their competitiveness and appeal to the growing market demand for green products. In conclusion, this research provides insights into how MSMEs in Indonesia can utilize green marketing approaches to influence consumer behavior and promote their natural beauty products. Understanding the factors that drive green purchase intention will help MSMEs develop marketing strategies that contribute to both business objectives and environmental conservation efforts. Future studies can examine other marketing mix elements and a wider range of MSMEs and product categories.

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