Does The Consumers Materialism Affect Their Green Behavior?

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ARTICLE INFORMATION

ABSTRACT

The millennial generation is creative, innovative, and cares about sustainability. However, compared to the previous generations, they are the most consumptive. This study investigates their materialism effect on their adaptation to green values, their involvement in environmental sustainability, and the behavior of buying green products. The research was conducted using a survey method on 312 millennial respondents in Jakarta, Indonesia. The research model was processed using PLS-SEM. The results show that the respondents have moderate-level materialism. Consumer materialism has a significant effect on the green value adopted, which significantly affects green behavior. Materialism and green values also significantly affect their involvement in environmental issues. Materialism has no significant direct effect on green behavior and does not directly affect the involvement of environmental issues. However, the effect of materialism on green behavior is mediated by green values. The main finding of this research is that moderate-level materialism of millennial consumers increases the value of environmental care and encourages their desire to buy environmentally friendly products. This finding suggests that using green products might help consumers express themselves as knowledgeable people and signify their success.

Keywords: Consumer Materialism, Green Behavior, Green Value, Millennials

JEL Classification: D10, D19, M00

INTRODUCTION

Concern for the environment is an issue discussed around the world today. Concurrently, discussions about young people's materialistic way of life have also become a concern for many people. Indonesia has been one of the world's largest plastic waste-producing countries over the last several years, along with the growing urbanization demands of additional water, electricity, and sewage treatment. In Indonesia, the productive age population (15-64 years), based on the latest data from the Central Statistics Agency (BPS), reaches 70% of the total population and is expected to peak in 2028-2030.

Millennials have characteristics supporting sustainability success. They are critical thinkers, change-makers, innovators, and potential leaders who are literate in information technology (Poernomo et al., 2021). However, compared to the previous generation, the millennial generation is more materialistic (Loroz, 2006). Digital culture plays a substantial role in shaping millennials' materialism as they are active users of the internet and social media.

The internet has occupied a very significant role in the lives of Indonesian people. Until January 2021, Indonesia's number of internet users reached 202.6 million people. Of all the internet users, around 49 percent come from the millennial generation. Millennials use the internet not only to communicate or to find information but also to make purchases, making them highly consumptive. The young millennial group, or people in their 20s, is the most consumptive of the millennial consumer groups. They are those who just got their first job, have no family, and use the income for themselves. In contrast, the older millennials are married and use their income for their families.

Previous studies investigating the relationship between materialism and green behavior have shown inconsistent results. Environmental conservation behavior and materialistic consumption behavior do not support each other (Furchheim, Jahn, & Zanger, 2013). Concern for the environment grows from the character of altruism, while materialistic consumption grows from selfishness. However, another study found that green products, which usually have a higher price, show prestige, so materialistic people are attracted to buying green products to show their identity (Furchheim et al., 2013).

Green products are still considered as rare and valuable products. Materialists may value rare products, making them attracted to green products. Not everyone is willing to buy more expensive products, such as green products; not many individuals are eager to sacrifice buying more expensive products for the benefit of others or many people (sustainability). Still, materialists are willing to do it (Furchheim et al., 2013).

Furchheim et al. also underlined that materialists like green products when they perceive them as scarce. Consumers with high materialism will positively evaluate green products, while consumers with low materialism will do the opposite. Consumers tend to have a lifestyle, spending their time on things that support value, just as consumers with materialistic values will spend their time shopping and having fun. However, environmental conservation activities are not significantly related to lifestyle (Gatersleben, White, Abrahamse, Jackson, Uzzell, 2010). Materialism is positively related to egoism, and environmental behavior is related to altruism. However, this Gatersleben et al. study did not show a significant relationship between materialism and altruism and environmental behavior.

This study aims to examine whether the materialism of millennial consumers will influence them to adopt green values, be involved in environmental sustainability, and

influence their buying behavior of green products. Considering the findings of previous research that consumer materialism and green behavior are partially negatively correlated and in some other research are positively correlated, we examined it on millennial consumers in Indonesia. Considering that in Indonesia, green products are perceived as expensive and sold in limited places, the influence of materialism on green behavior could be positive.

Previous studies on Indonesian millennial consumers examined the factors that influence consumers' sustainable purchase behavior but did not relate it to millennial characteristics (Bagaskoro & Qastharin, 2021). For academics, this study expands the study of green consumer behavior. For companies, it strengthens the belief that the production of green products will receive a positive response from consumers (Sehgal et al., 2020). During the pandemic, companies need to carry out CSR practices suitable for their consumers (Handayati, Wafaretta, Anugrahani & Fauzan, 2021). This study provides an overview of how millennial consumer behavior can be used to design CSR practices.

LITERATURE REVIEW

Consumer materialism is related to how much consumers value ownership (Belk, 1985 in Antiniene, Seinauskiene, Rutelione, Nikou, & Lekaviciene, 2021). Materialism is also defined as a principle or belief about how important property is to a person. Consumers with high materialism their lives will focus on the effort to obtain goods. Their time, resources, and energy are devoted to acquiring goods (Antiniene et al., 2021).

According to Richins in Sreen, Purbey, Sadarangani (2020), materialism includes three belief values. First is centrality, which is the individual's belief that having material possessions is the main goal in life. Second, success is determined by ownership. In other words, material possessions can measure success. Third, it is the individual's belief that happiness can be achieved through material possessions.

A previous study showed that young adults and adolescents were more involved in social comparisons with others, which made them more materialistic and made more remarkable compulsive buying (Antiniene et al., 2021). In addition, young consumers tend to be heavy users of social media, comparing themselves to friends and celebrities. This implies that young millennial consumers are becoming more materialist.

The study of Mai (2019) in Vietnam and Taiwan confirmed that materialism affects the attitude towards green products. In this study, we use the term green value. Driven by faith to achieve happiness through material wealth, individuals tend to ignore environmental beliefs and acquire popular products in the market (Sreen et al., 2020). High materialists value possessions, assets, appearance, expensive vehicle ownership and possessions with interpersonal associations or pleasure (Gatersleben et al., 2010). Materialists value rare products, as they value green, expensive, and rare products (Zanger, 2013). Therefore, materialist consumers require green products for such particular reasons. On these bases, we hypothesized:
H1: Materialism significantly affects green value.
H2: Materialism significantly affects green involvement.
H3: Materialism significantly affects buying behavior for green products (green behavior).

Green value is the tendency to hold the value of environmental protection, manifested in one's purchase behavior (do Paço, Shiel, & Alves, 2019). A test of the model on green consumption behavior shows that consumers' prosocial attitudes directly affect green

consumption value affecting green consumption behavior (do Paço et al., 2019). Personal involvement is an attitude formed and learned during interactions with the social environment, leading to different consumer responses and loyalty behaviors. Green involvement is personal involvement with green attributes offered by a product, activity, or environmental situation. It is positively correlated with value (Wong, Wan, & Qi, 2015). Brands are persuading through green advertising to influence consumers' green value and green involvement (Laksmidewi & Soelasih, 2019). According to research by Paladino (2005), environmental concern affects involvement and affects ecologically sound behavioral intentions and green purchase behavior. Based on these, we proposed the hypotheses:

H4: Green value significantly affects green involvement.
H5: Green value significantly affects green behavior.
H6: Green involvement significantly affects green behavior.
H7a: Green value significantly mediates the effect of materialism on green involvement, green behavior (H7b).
H7c: Green values and green involvement significantly mediate the effect of materialism on green behavior.
H7d: Materialism (H7d) and green involvement (H7e) significantly mediate the effect of materialism on green behavior.

RESEARCH METHOD

This study applied a survey method conducted on 312 respondents in Jakarta. They were young millennials aged 18-27 years, 173 males and 139 females. The materialism measurement was adapted from Richins and Dawson (1992), consisting of success, centrality, and happiness dimensions. The green value measurement was adapted from doPaço et al. (2019). The green involvement and green behavior measurement was adapted from Gatersleben et al. (2010). The research model was tested using PLS-SEM (Partial Least Squares Structural Equation Modeling), aided with SmartPLS 3 program. Figure 1 presents the results.

Figure 1. Research Model
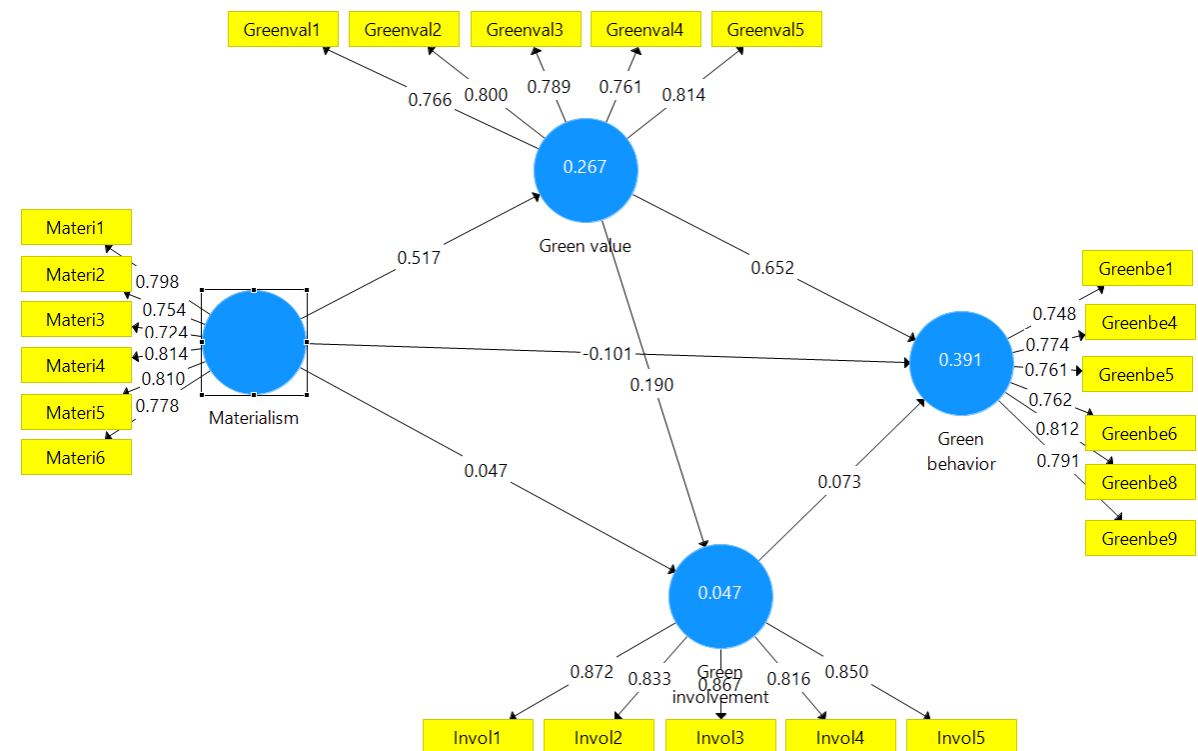
RESULTS

The validity and reliability tests were carried out by convergent validity, discriminant validity, and Cronbach's Alpha to ensure that all indicators are appropriate to measure the constructs. The factor loading of all indicators used in testing the model are above 0.7. Several green behavior indicators and one green value indicator with a factor loading below 0.7 were eliminated.

To test the discriminant validity, this study used the criteria of Fornell and Larcker (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014). The discriminant validity can be achieved when the square root of the Average Variance Extracted (AVE) is greater than the correlation between other variables. Table 1 indicates that the AVE value of all variables is greater than 0.5 and the correlation of other variables.

Table 1. Discriminant Validity & Reliability

	Green Behavior	Green Involvement	Green Value	Materialism	Cronbach's Alpha
Green behavior	**0,775**				0,867
Green Involvement	0,198	**0,848**			0,902
Green Value	0,616	0,214	**0,786**		0,845
Materialism	0,246	0,145	0,517	**0,780**	0,872

Table 1 shows that all variables have Cronbach's Alpha > 0.7, which means that all variables are reliable and can be accepted satisfactorily (above 0.8). The multicollinearity test considers the value of Variance Inflation Factor (VIF), which according to Hair et al.

(2014), must be less than 5. The collinearity test shows that all VIF is less than 5, which means no collinearity exists.

The significance of the relationship between constructs/variables was tested in evaluating this inner model, as seen from the path coefficient. Previously, the R^2 test (see Table 5) and the Goodness of Fit (GoF) test were conducted to validate the overall research model. The R^2 value of green behavior of 0.391 indicates that the influence model of green value and green involvement is good (moderate). Likewise, the model of the influence of materialism on green value is moderate ($R^2 = 0.267$), and the effect of materialism on green involvement is weak ($R^2=0.047$).

Table 2. Goodness of Fit (GoF) Test

	Saturated Model	Estimated Model	Criteria	GoF
SRMR	0,062	0,062	<0,08	Good fit
d_ULS	0,979	0,979	<0,95	Poor fit
d_G	0,361	0,361	<0,95	Good fit
Chi-Square	655,593	655,593	2,1354<5	Good fit
NFI	0,828	0,828	Near to 1	Good fit
RMS_theta	0,140		≤0,12	Well-fit

The goodness of fit model criteria shows that the research model is fit. According to Hu and Bentler (1999), an SRMR value of less than 0.10 or less than 0.08 is considered a good fit. If the Normed Fit Index (NFI) value is above 0.9, it is generally considered an "acceptable fit." The value of Chi-Square (X2), divided by the degree of freedom (df=n-k-1 = 312-4-1 = 307), must be below 5 to be considered a "good fit." The value of RMS_theta is less than 0.12, which indicates a well-fit model (Henseler et al., 2014).

Table 3. Structural Model and Hypothesis Decision

	T Statistics	P Values	Decision
Green Involvement -> Green Behavior	1,621	0,106	H6 is rejected
Green Value -> Green Behavior	11,553	0,000	H5 accepted
Green Value -> Green Involvement	2,286	0,023	H4 accepted
Materialism -> Green Behavior	1,465	0,144	H3 is rejected
Materialism -> Green Involvement	0,675	0,500	H2 is rejected
Materialism -> Green Value	10,623	0,000	H1 accepted

Table 3 shows that consumer materialism has a significant positive effect on green value (t = 10,623 p = 0.000), so hypothesis 1 is accepted. However, materialism has no significant effect on green involvement (t = 0.675 p = 0.500) and green behavior (t = 1.465 p = 0.144), thus hypotheses 2 and 3 are rejected. Green value has a significant positive effect on green involvement (t=2,286 p=0.023) and green behavior (t=11,553

p=0.000), meaning that hypotheses 4 and 5 are accepted. While green involvement has no significant effect on green behavior (t=1,621 p=0,106); hypothesis 6 is rejected.

The green value variable has the greatest influence on green behavior (Effect Size or f square=0.498), compared to green involvement and materialism. Materialism has an impact on the green value of $f^2 = 0.365$.

Table 4. Indirect Effect

	T Statistics	P Values	Decision
Green Value -> Green Involvement -> Green Behavior	1.095	0.274	H7e is rejected
Materialism -> Green Involvement -> Green Behavior	0.572	0.568	H7d is rejected
Materialism -> Green Value -> Green Involvement	2.204	0.028	H7a accepted
Materialism -> Green Value -> Green Behavior	8.374	0.000	H7b accepted
Materialism -> Green Value -> Green Involvement -> Green Behavior	1.068	0.286	H7c is rejected

The indirect effect test (Table 4) shows that green value significantly mediates the influence of materialism on green involvement and green behavior; thus, hypotheses 7a and 7b are accepted. While on other paths, mediation is not significant.

DISCUSSION

Consumer materialism has a significant effect on the green value adopted, which significantly affects green behavior. Materialism and green values also significantly affect their involvement in environmental issues. Materialism has no significant direct effect on green behavior and does not directly affect the involvement of environmental issues. However, the effect of materialism on green behavior is mediated by green values.

Millennials play an important role in the economy. They are of working age, have purchasing power, like adventure, and dislike routine. This makes them consumptive, wasteful, and materialistic. On the other hand, millennials are concerned about social and environmental isues: two opposite things, materialism and concern for the environment. The theory says that materialistic people will not behave in green. However, this study shows that, with the mediation of green values, the effect of materialism on green behavior becomes positive.

CONCLUSION

Environmental orientation determines the success of the company's performance in its sustainability efforts (Wisker & Kwiatek, 2018). Thus, understanding the factors that influence sustainability behavior is important, including millennial green behavior. The results of this study are unlike most previous studies where high materialism is by a tendency to reduce the desire to buy green products. This study indicates that materialism has a positive effect on buying green products. Interestingly, it was found that the level of the materialism of millennial consumers in Jakarta, who were respondents in this study, was at a moderate level. Similar findings were found for Vietnamese consumers, where the success component of materialism (SUC) is a positive predictor of attitudes towards green products (Mai, 2019). This finding suggests

that using green products might help consumers express themselves as knowledgeable people and signify their success. Future research must expand the sample coverage, not only from one city, to represent millennial consumers better. To provide an overview of the characteristics of millennials and the factors that influence green behavior, it is also necessary to examine them from the side of altruism.

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DECLARATION OF CONFLICTING INTERESTS
The authors declared no potential conflicts of interest.

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