

# Increasing the Competitiveness of MSMEs in the Global Market by Integrating Digital Marketing and Environmental Awareness: Case Study of the Implementation of Green Environmental Awareness and Green Product Pricing and Its Impact on Green Product Purchasing

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## Abstract

This research aims to increase the competitiveness of MSMEs in the global market by integrating digital marketing and environmental awareness: a case study of the application of green environmental awareness and green product pricing and its impact on green product purchasing. This type of research is quantitative with a cross-sectional approach. The population in this study is all MSMEs assisted by the green-based DKI Jakarta Industry, Trade, Small and Medium Enterprises Cooperative which amounts to 284 MSMEs. The sampling technique used is cluster random sampling. Determination of the sample size using the Generic formula so that the sample obtained amounted to 164 respondents. The main research instrument used was a questionnaire with Likert Scale. The data analysis technique used is Confirmatory Factor Analysis Second Order to determine the value of each instrument factor used with standardized factor loading and t-value criteria. The accepted value in the test was more than 0.5 for standardized factor loading and more than 1.96 for t-value. Structural model analysis is carried out using Structural Equation Modeling (SEM). The analysis process was carried out using Lisrel with fit model criteria, namely chi square, GFI, AGFI, NFI and CFI, PNFI, and AIC. The results of the analysis show that there is a direct influence of green marketing on green product purchasing. There is a direct influence of green environmental awareness on green product purchasing. There is a direct influence of green product pricing on green product purchasing. There is a direct influence of green marketing on green environmental awareness. There is a direct influence of green environmental awareness on green product pricing.

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## Abstrak

Penelitian ini bertujuan untuk meningkatkan daya saing UMKM di pasar global dengan mengintegrasikan pemasaran digital dan kesadaran lingkungan: studi kasus penerapan *green environmental awareness* dan *green product pricing* dan dampaknya terhadap *green product purchasing*. Jenis penelitian ini adalah kuantitatif dengan pendekatan *cross-sectional*. Populasi dalam penelitian ini yaitu seluruh UMKM binaan dinas Perindustrian, Perdagangan, Koperasi Usaha Kecil dan Menengah DKI Jakarta yang berbasis *green* yang berjumlah 284 UMKM. Teknik pengambilan sampel yang digunakan yaitu *cluster random sampling*. Penentuan besarnya ukuran sampel menggunakan formula Generik sehingga diperoleh sampel yang diperoleh berjumlah 164 responden. Instrumen utama penelitian yang digunakan adalah kuesioner (angket) dengan Skala Likert. Teknik analisis data yang digunakan yaitu *Confirmatory Factor Analysis Second Order* untuk mengetahui nilai dari setiap factor instrumen yang digunakan dengan kriteria *standardized factor loading* dan *t-value*. Nilai yang diterima dalam pengujian tersebut adalah lebih dari 0.5 untuk *standardized factor loading* dan lebih dari 1.96 untuk *t-value*. Analisis model structural dilakukan dengan menggunakan *Structural Equation Modelling (SEM)*. Proses analisis dilakukan dengan menggunakan Lisrel dengan kriteria model fit yaitu *chi square*, *GFI*, *AGFI*, *NFI* and *CFI*, *PNFI*, dan *AIC*. Hasil analisis menunjukkan bahwa terdapat pengaruh langsung *green marketing* terhadap *green product purchasing*, terdapat pengaruh langsung *green environmental awareness* terhadap *green product purchasing*. Terdapat pengaruh langsung *green product pricing* terhadap *green product purchasing*. Terdapat pengaruh langsung *green marketing* terhadap *green environmental awareness*. Terdapat pengaruh langsung *green environmental awareness* terhadap *green product pricing*.

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## 1. INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) contribute 60.3% to Indonesia's total gross domestic product (GDP)(Djakasaputra et al., 2021). Therefore, the development of MSMEs is the

focus of every country (Nuseir & Aljumah, 2020) including Indonesia. The business activities carried out by MSMEs are by developing various local products that have business value and are marketed. On the other hand, rapid economic growth and industrial development have resulted in increased individual consumption which has an impact on environmental damage (Lin et al., 2017). Environmental issues have made consumers gradually change their behavior to carry out environmentally friendly practices and act with attention to the environment, as well as using environmentally friendly products (green products). (Kusuma & Sulhaini, 2018; Ogiemwonyi et al., 2020). A green product is a product that is not dangerous or friendly to the environment, both during the production process and when consumed (Hanifah et al., 2019). Awareness of the importance of using environmentally friendly products has become a trend in various developed and developing countries.

*Environmental awareness* plays an important role in go green activism and relates to an individual's viewpoint and emotional emphasis regarding the environment. Specifically, green environmental awareness is the sum of the impacts of human behavior or information shown by individuals on their environment (Ogiemwonyi et al., 2020). Green environmental awareness can influence product purchasing decisions by taking into account every action that has a significant impact on the environment. Green environmental awareness can be a consideration for someone making purchasing decisions because every product used can have an impact on the environment.

Product category and perceived benefits are important factors in determining consumers' willingness to pay a premium for environmentally friendly products (Sana, 2020a). *Green Product pricing* is the amount of money paid for a product or the amount of value exchanged by consumers to get benefits from owning or using a green product (Hanifah et al., 2019). Consumers are willing to pay 9.5% more to buy green products compared to regular products (Drozdhenko et al., 2011). Although price increases vary based on product category and potential savings resulting from the purchase.

The current problem is that Jakarta, as the region with the largest number of MSMEs in Indonesia, is still dominated by MSMEs that are not yet oriented towards green products. Initial observation results show that MSMEs in DKI Jakarta are still focused on developing and producing products that have high demand value according to consumer needs. Apart from that, the marketing process used is still conventional by relying on relationships connected to the market, so that products can be sold quickly. This will of course have an impact on the competitiveness of MSMEs towards international markets, where environmentally friendly products with digital-based marketing are preferred. Digital marketing is a marketing technique favored by B2B start-ups and MSMEs (Nurjannah et al., 2022) (Hawaldar et al., 2022).

Examining the various phenomena above, concrete efforts are needed to create a healthy environment, including by increasing understanding, behavior and culture regarding the use of purchasing and using green products. Therefore, empirical studies are needed that can be used as a basis and recommendations for MSMEs to increase their competitiveness in international markets by maximizing technological developments. This can certainly provide broader direction and business models for MSMEs in developing and marketing the products they develop.

## 2. RESEARCH METHOD

This type of research is quantitative with a cross-sectional approach. The population in this research is all MSMEs assisted by the DKI Jakarta Department of Industry, Trade, Small and Medium Enterprise Cooperatives which are green based, totaling 284 MSMEs. The sampling technique used was cluster random sampling. Determining the sample size using the generic formula for finite populations proposed by (Djauhari, 2020), that is:

$$n = \frac{Nz^2\sigma^2}{(N-1)e^2 + z^2\sigma^2}$$

Where:

- $N$  = Population size
- $n$  = The size of the sample
- $\sigma$  =Standard deviation of the population
- $e$  =Margin of Error (MOE),with  $e = \vartheta \times 100\%$
- $z$  = Standard normal distribution

The measurement variables and indicators in this research are:

1. Digital marketing with measurement indicators: website, search engine marketing, web banner, social network, e-mail marketing, affiliate marketing(Putri & Marlien, 2022)
2. *Green environmental awareness*with measurement indicators: consumers care about environmental quality, pay attention to social welfare, and desire to protect the environment(Chen et al., 2018).
3. *Green product pricing* with measurement indicators: price affordability, price suitability to product quality, price competitiveness, and price suitability to benefits(Medeiros et al., 2015).
4. *Green product purchasing* with measurement indicators: stability in the product, confidence in buying the product, conformity of attributes with wants and needs, external and internal influences in buying the product(Medeiros et al., 2015)

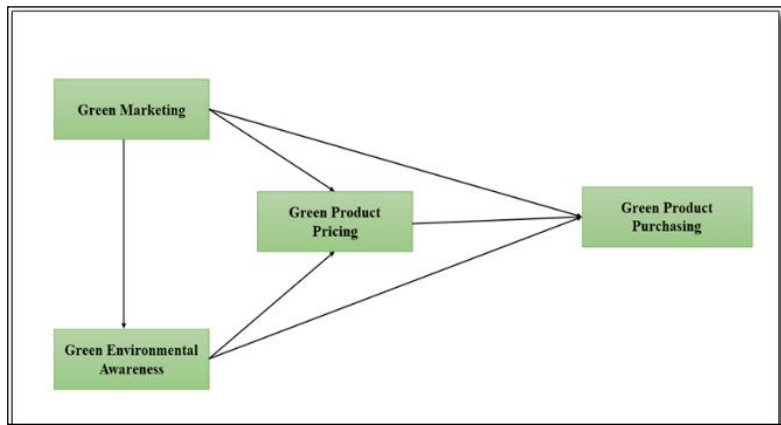


Figure 1. Research Model Design

Specifically, this research was conducted to answer the following research hypothesis:

- H1: Green marketing influences green environmental awareness
- H2: Green marketing influences green product pricing
- H3: Green marketing influences green product purchasing
- H4: Green marketing has an indirect effect on green product purchasing which is mediated by green environmental awareness
- H5: Green marketing has an indirect effect on green product purchasing which is mediated by green product pricing

The main research instrument used was a questionnaire with a Likert Scale with five answer choices: Strongly Agree to Strongly Disagree. This is because the Likert Scale provides many advantages to respondents and allows them to choose clearly(Schiffman et al., 2020). The data analysis technique used is Confirmatory Factor Analysis Second Order to determine the value of each instrument factor used using standardized factor loading and t-value criteria. The value received in this test is more than 0.5 for standardized factor loading and more than 1.96 for t-value. To verify the data obtained from the questionnaire results, random interviews were conducted to determine the variables studied.

Structural model analysis was carried out using Structural Equation Modeling (SEM) which was analyzed in two stages (1) measurement model analysis and (2) structural model analysis (Schumacker & Lomax, 2010), because it aims to explain the interconnection of exogenous and endogenous variables for the coefficients in the model (Hair et al., 2017). The analysis process was carried out using Lisrel with model fit criteria, namely chi square, Goodness-of-Fit Index (GFI), Goodness-of-Fit Index (AGFI), Normed Fit Index (NFI) and Comparative Fit Index (CFI), Parsimony Normed Fit Index (PNFI), and Akaike Information Criterion (AIC).

**3. RESEARCH RESULTS AND DISCUSSION (12 Pt)**

**A. Research result**

The data analyzed in this study is data from the results of filling out a questionnaire filled in by the entire sample in this study, namely 164 respondents. The description of the data presented includes data on the variables green marketing leadership (X1), green environmental awareness (X2), and green product pricing (X3), and green product purchasing (Y). The description of the data from the variables above is explained as follows.

**1. Green marketing(X1)**

The results of descriptive statistical analysis of the results of the green marketing questionnaire (X1) are presented in Table 1 below.

**Table 4.2 Descriptive Statistics(X1)**

	N	Minimum	Maximum	Mean	Std. Deviation
X1	164	64	90	77.92	8,249
Valid N (listwise)	164				

Source: SPSS analysis results (2023)

Table 1 shows that of the 164 respondents who provided responses based on the questionnaire regarding green marketing in MSMEs in DKI Jakarta, the maximum score was 90, the minimum score obtained was 64 with an average of 77.92 and a standard deviation of 8.249.

**2. Green Environmental Awareness(X2)**

Descriptive statistical analysis of the green environmental awareness variable (X2) based on the results of filling out the questionnaire filled out by respondents is as follows

**Table 2. Descriptive Statistics(X2)**

	N	Minimum	Maximum	Mean	Std. Deviation
X2	164	63	88	81.26	9,062
Valid N (listwise)	164				

Source: SPSS analysis results (2023)

Based on Table 2 above, it can be seen that of the 164 respondents who provided responses based on the questionnaire regarding green environmental awareness (X2), the maximum score obtained was 63, the minimum score obtained was 88 with an average of 81.26 and a standard deviation of 9.062.

**3. Green Product Pricing(X3)**

Descriptive statistical analysis of the green product pricing variable (X3) based on the results of filling out a questionnaire filled out by MSME players under the guidance of the DKI Jakarta Industry, Trade, Small and Medium Enterprises Cooperatives department as follows.

**Table 3. Descriptive Statistics(X3)**

	N	Minimum	Maximum	Mean	Std. Deviation
X3	164	61	74	68.24	8,116
Valid N (listwise)	164				

Source: SPSS analysis results (2023)

Based on Table 3 above, it can be seen that of the 164 respondents who provided responses based on the questionnaire regarding green product pricing, the maximum score obtained was 74, the minimum score obtained was 61 with an average of 68.24 and a standard deviation of 8.116.

**4. Green Product Purchasing(Y)**

Descriptive statistical analysis of the green product purchasing variable (Y) based on the results of filling out a questionnaire filled out by MSME actors under the guidance of the DKI Jakarta Industry, Trade, Small and Medium Enterprises Cooperatives department as follows.

**Table 4. Descriptive Statistics(Y)**

	N	Minimum	Maximum	Mean	Std. Deviation
X3	164	72	98	90.04	7,116
Valid N (listwise)	164				

Source: SPSS analysis results (2022)

Based on Table 4 above, it can be seen that of the 164 respondents who provided responses based on the questionnaire regarding green product pricing, the maximum score obtained was 98, the minimum score obtained was 72 with an average of 90.04 and a standard deviation of 7.116.

**B. Analysis Prerequisite Test**

**1. Data Normality Test**

The data normality test is carried out to determine whether the data obtained in the research process is normal or not. Normality testing was carried out on each variable with values carried out using the Kolmogrofsmirnov Test assisted by the SPSS program with the following hypothesis.  $\alpha = 0,05$

H0: The data obtained is normally distributed

H1: The data obtained is not normally distributed

By testing criteria:

H0 is accepted and H1 is rejected if the p-value (sig) > 0.05

H0 is rejected and H1 is accepted if the p-value (sig) ≤ 0.05

Based on the results of the normality analysis of data in each treatment group obtained the normality test results which are presented in Table 5 below.

**Table 5. Tests of Normality**

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistics	Df	Sig.
X1	0.061	164	<b>0.200*</b>	0.990	164	0.079
X2	0.073	164	<b>0.200*</b>	0.995	164	0.089
X3	0.075	164	<b>0.200*</b>	0.993	164	0.094
Y	0.077	164	<b>0.153*</b>	0.991	164	0.093

a. Lilliefors Significance Correction

\*. This is a lower bound of the true significance.

Based on the table, it is known that the sig of the analysis results for each variable X1, X2, X3, and Y get a sig value > 0.05. Thus, H0 is accepted and H1 is rejected. This means that all the data obtained has a normal distribution.

**2. Linearity, Significance and Correlation Tests**

The linearity test is carried out to determine whether or not there is a linear relationship between each variable. The test hypothesis is:

H0: There is no linear relationship between variables

H1: There is a linear relationship between variables.

Testing was carried out using SPSS with the criterion that the value was significant (sig) in the Anova table < 0,05, then there is a linear relationship. On the other hand, in the Anova table, there is no linear relationship. To determine the significance and magnitude of the correlation between variables, a regression test was carried out. ≥ 0,05 Testing was carried out using SPSS with the criterion that the value was significant (sig) in the Anovab table < 0,05, then it is significant. On the other hand, if it is in the Anovab table, it means it is not significant. The magnitude of the correlation value is known from the results of the regression analysis in the Coefficients table. The results of the analysis between each variable are as follows ≥ 0,05

1. The relationship between Green Marketing (X1) and Green Environmental Awareness (X2)

The relationship between the green marketing variables (X1) and green environmental awareness (X2) based on the analysis results is presented in the following table.

**Table 4 Model Summary Variables X2 and X1**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	<b>0.711a</b>	<b>0.758</b>	0.756	6,994

a. Predictors: (Constant), X1

Based on the table above, it is known that the coefficient of determination (R2) is 0.658, which means that 50.55% of the variability in the green environmental awareness variable (X2) is explained by the green marketing variable (X1) with an error value.  $\epsilon = 1 - 0,658 = 0,301$ .

**Table 8. ANOVA**

Model	Sum of Squares	df	Mean Square	F	Sig
Regression	835.91	1	835.91	152.76	0.000a
Residual	84.12	162	9,674		
Total	910.03	163	835,524		

Predictors: (Constant), X1

Dependent Variable: X2

The analysis results in the table above show that the value obtained is  $F_{count} = 152.76$ ,  $db1 = 1$ ,  $db = 163$ , with  $p\text{-value} = 0.000 < 0.05$  or  $H_0$  is rejected. That way, you can conclude that variable *green marketing*(X1) influences green environmental awareness (X2). Furthermore, the results of the path coefficient analysis are presented in the following table.

**Table 9. Coefficientsa Variables X2 and X1**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6,843	3,207		0.031	0.812
	X1	0.787	0.139	0.911	18,365	0,000

a. Dependent Variable: X2

Based on the results of the analysis above, the path coefficient obtained in the Beta column (standardized coefficients) is the path coefficient X1 to  $< 0.05$ . Thus  $H_0$  is rejected or *green marketing*(X1) has a positive effect on green environmental awareness (X2).

2. The relationship between green product pricing (X3) which is influenced by green marketing (X1) and green environmental awareness (X2)

The relationship between the green product pricing variable (X3) with green marketing (X1) and green environmental awareness (X2) based on the analysis results is presented in the following table.

**Table 11. Model Summary Variable X3 is influenced by X2 and X1**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	<b>0.842a</b>	<b>0.709</b>	0.656	3,994
2	<b>0.714a</b>	<b>0.5098</b>	0.611	2,429

a. Predictors: (Constant), X2, X1

b. Predictors: (Constant), X2

Based on the table above, it is known that the coefficient of determination for model 1, namely (R<sup>2</sup>), is 0.709, which means that 70.9%, which means that the variability of the green product pricing variable (X3) is explained by the green marketing variable (X1) with an error value  $\epsilon = 1 - 0,709 = 0,291$ . In model 2, the value obtained (R<sup>2</sup>) is 0.5098 which means that 50.98% of the variability of the green product pricing variable (X3) is explained by the green environmental awareness variable (X2) with an error value  $\epsilon = 1 - 0,5098 = 0,4902$ .

**Table 12. Anova**

Model		Sum of Squares	df	Mean Square	F	Sig
1	Regression	654.12	2	654.12	138.17	0.000a
	Residual	6.12	162	12.34		
	Total	660.24	164	666.46		
2	Regression	591.11	2	591.11	74.32	0.000a
	Residual	7.65	162	2.14		
	Total	598.76	164	593.25		

Predictors: (Constant), X2, X1

Predictors: (Constant), X2

Dependent Variable: X3

The analysis results in the table above show that in model 1, the F count value =138.17, df1 = 2; df2 = 162, p-value = 0.000 0.05 or H0 is rejected. The results in model 2 are obtained <Fcount value =74.32, df1 = 2; df2 = 162, p-value = 0.000 0.05 or H0 is rejected. Therefore <green marketing variables(X1) and green environmental awareness (X2) have a positive effect on variable green product pricing(X3). Next, the results of the path coefficient analysis are presented in the following table.

**Table 12. Coefficient of Relationship between Variable X3 and X1 and X2**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1,523	1,414		-0.614	0.814
	X1	0.248	0.265	0.274	0.857	0.530
	X2	0.612	0.121	0.593	4,412	0,000
2	(Constant)	-0.832	1,314		-0.524	0.697
	X1	0.718	0.421	0.772	11,973	0,000

a. Dependent Variable: X3

Based on the table above, the results of the analysis using the Backward method produced model 1 and model 2. The path coefficients in both models are shown in the standardized Coefficients column, namely as follows:

1. Path coefficient  $p_{31} = 0.274$ ;  $t_0 = 0.857$ ,  $p\text{-value} = 0.530/2 = 0.265 > 0,05$  or H0 is accepted. Thus, it is concluded that there is no influence between the variables green marketing(X1) to green product pricing (X3).
2. Path coefficient  $p_{32} = 0.593$ ;  $t_0 = 4.412$ ,  $p\text{-value} = 0.000/2 = 0.000 < 0,05$  or H0 is rejected. Thus, it is concluded that there is a direct and positive influence of the variable green environmental awareness(X2) to green product pricing (X3).

Based on the analysis above, it is known that the path coefficient  $p_{31}$  is not significant, so the model being developed needs to be improved by removing  $t_0 = 11.973$ , and  $p\text{-value} = 0.000/2 = 0.000 < 0,05$  or H0 is rejected. So, it can be concluded that environmental awareness (X2) has a direct and positive influence on green product pricing(X3).

3. The relationship between green product purchasing (Y) and that influenced by green marketing (X1), green environmental awareness (X2), and green product pricing (X3)

The relationship between the green product purchasing (Y) variable and green marketing (X1) and green environmental awareness (X2), and green product pricing (X3) based on the analysis results is presented in the following table.

**Table 13. Model Summary Variable X3 is influenced by X2 and X1**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	<b>0.792a</b>	<b>0.627</b>	0.212	4,412

a. Predictors: (Constant), X3, X2, X1

Based on the table above, it is known that the coefficient of determination (R2) is 0.627, which means that 62.7% of the variability in the green product purchasing variable



(Y) is explained by the variables green marketing (X1), green environmental awareness (X2), and green product pricing (X3) with an error value  $\epsilon = 1 - 0,627 = 0,373$ .

**Table 12. Anova**

Model		Sum of Squares	df	Mean Square	F	Sig
1	Regression	723.43	3	157.67	221.04	0.000a
	Residual	11,12	161	1.21		
	Total	744.55	164	158.98		

Predictors: (Constant), X3, X2, X1  
 Dependent Variable: X3

The analysis results in the table above show that the F count value =221.04,  $df_1 = 3$ ;  $df_2 = 161$ ; p-value = 0.000 0.05 or  $H_0$  is rejected. Thus it can be concluded that <The variables green marketing (X1), green environmental awareness (X2), and green product pricing (X3) simultaneously influence the variable green product purchasing (Y). Next, the results of the path coefficient analysis are presented in the following table.

**Table 12. Coefficient of Relationship between Variable X3 and X1 and X2**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.147	0.772		0.036	0.882
	X1	0.595	0.121	0.585	3,124	0.012
	X2	0.441	0.132	0.461	2,029	0.068
	X3	0.448	0.092	0.365	3,466	0.014

a. Dependent Variable: Y

The results of the analysis using the Backward method produce model 1 and model 2. The path coefficients in the 2 models are shown in the standardized Coefficients column, namely as follows:

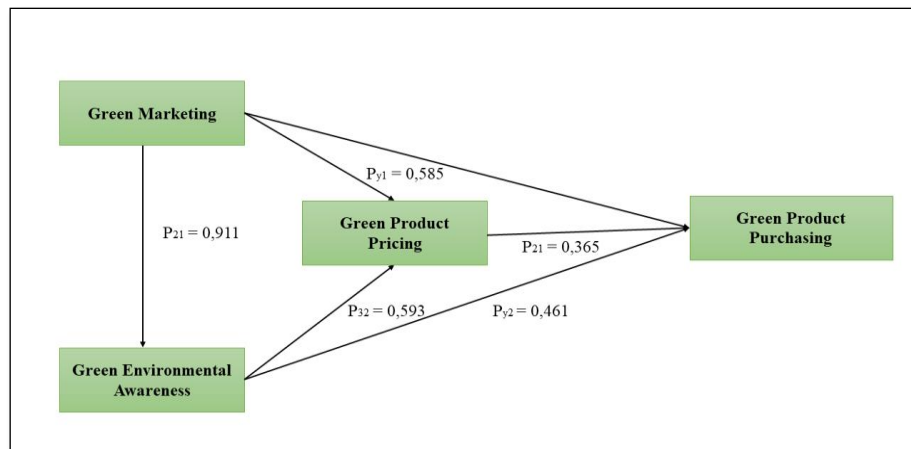
1. Path coefficient  $py_1 = 0.585$ ;  $t_0 = 3.124$ , p-value =  $0.012/2 = 0.006 < 0,05$  or  $H_0$  is rejected. Thus, it is concluded that there is a positive direct influence between the variables *green marketing* (X1) to green product purchasing (Y).
2. Path coefficient  $py_2 = 0.461$ ;  $t_0 = 2.029$ , p-value =  $0.068/2 = 0.034 < 0,05$  or  $H_0$  is rejected. Thus, it is concluded that there is a positive direct influence between the variables *green environmental awareness* (X2) to green product purchasing (Y).
3. Path coefficient  $py_3 = 0.365$ ;  $t_0 = 3.466$ , p-value =  $0.014/2 = 0.007 < 0,05$  or  $H_0$  is rejected. Thus, it is concluded that there is a positive direct influence between the variables *green product pricing* (X3) to green product purchasing (Y).

A summary of the results of the analysis of hypothesis testing between variables is presented in the following table.

Direct influence between variables	Path coefficient	t count	p-value	Conclusion
X1 against Y ( $py_1$ )	0.585	3,124	0.006	Significant
X2 against Y ( $py_2$ )	0.461	2,029	0.034	Significant
X3 against Y ( $py_3$ )	0.365	3,466	0.007	Significant
X1 against X3 ( $p_{31}$ )	0.274	0.857	0.265	Not significant

X2 against X3 (p32)	0.593	4,412	0,000	Significant
X1 against X2 (p21)	0.911	18,365	0,000	Significant

Based on the results of hypothesis testing, an empirical causal model X1, X2, X3 is obtained, with Y described as follows.



The results of the model fit test with a sample size (n) = 164, and the number of path coefficients that are not significant (d) = 1, then the chi-square test results with  $W = -(nd) \ln Q = -(164 - 1) \ln 0.9904 = 3.71$ . Based on the chi-square table with  $db = d = 1$  at the 95% significance level, the value  $\chi^2_{tabel} = 3,84$ . Thus, the value of  $W = 3.71 < 3.84$  or  $H_0$  is rejected. This means that the model obtained is appropriate or suitable (model fit) to the data.

**C. Discussion**

**a) Direct Influence of Green Marketing (X1) on Green Product Purchasing (Y)**

Consumers' understanding of environmentally friendly products is a challenge for all companies in marketing their products (de Medeiros et al., 2016), because this can influence consumers in deciding to buy a particular product (Jaiswal & Kant, 2018). The results of data analysis show that the path coefficient of the leadership variable's influence on green product purchasing is 0.585, which indicates a positive influence from the green marketing variable. towards green product purchasing. Public concern for environmental problems makes companies make more efforts to improve their products with the concept of green marketing to increase their competitive advantage (Nozari et al., 2021) (Aurel Vlaicu University Arad, Romania et al., 2022). Green marketing plays an important role in causing changes in consumer behavior in the process of purchasing a product (Buil et al., 2019).

**b) Direct Influence of Green Environmental Awareness (X2) on Green Product Purchasing (Y)**

Level of green environmental awareness has a direct impact on green product purchasing. The results of the analysis show that the path coefficient for the influence of green environmental awareness on green product purchasing is 0.461. The better green environmental awareness, the higher the green product purchasing will be (Sheng et al., 2019). In this way, the performance and results that will be achieved will also be better and maximum (Mohd Suki, 2016).

**c) Direct influence of Green Product Pricing (X3) on Green Product Purchasing (Y)**

The price of a product determines the level of purchase of that product (Nozari et al., 2021). Green-based products certainly have higher prices compared to conventional

products. This certainly needs to be considered positively by companies when selling their products. The results of data analysis show that there is a positive influence of green product pricing on green product purchasing with a path coefficient of 0.365. This shows that innovations in green product pricing to remain competitive must be carried out by companies so that they have a positive impact on green product purchasing (Hong et al., 2018).

**d) Direct influence of Green marketing (X1) on Green environmental awareness (X2)**

The results of hypothesis testing in research have provided an overview of the influence of green marketing (X1) on green environmental awareness (X2) in MSMEs. The research results show that there is a direct and positive influence of green marketing on green environmental awareness of green marketing with a path coefficient value of 0.911. The direct positive influence of green marketing on green environmental awareness shows that green marketing has a direct positive influence on the suggestion of a green environment in society (Sana, 2020b).

**e) Direct Influence of Green Environmental Awareness (X2) on Green Product Pricing (X3)**

The research results show that green environmental awareness has a direct influence on green product pricing with a path coefficient of 0.593. The direct influence of green environmental awareness on green product pricing shows that green environmental awareness has a direct positive impact on consumers regarding the importance of buying green-based products even though the price is slightly higher than conventional products. Maximum green marketing can be achieved if it is supported by maximum green environmental awareness (Olson et al., 2021).

#### 4. CONCLUSION

Based on the results of the research conducted, it can be concluded that there is a direct influence of green marketing (X1) on green product purchasing (Y). there is a direct influence of green environmental awareness (X2) on green product purchasing (Y). There is a direct influence of Green Product Pricing on Green Product Purchasing. There is a direct influence of green marketing (X1) on green environmental awareness (X2). There is a direct influence of green environmental awareness (X2) on green product pricing (X3)

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