

# Influence of knowledge, advertising, and price on Gen Z's eco-friendly purchase decisions for The Body Shop.

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## ABSTRACT

*This study aims to analyze the influence of environmental knowledge, advertising, and price on purchasing decisions for environmentally friendly products among Generation Z, with a case study on consumers of The Body Shop products. The research employed a quantitative approach by distributing questionnaires to 122 respondents aged 18–27 who had purchased The Body Shop products. Data were analyzed using the Partial Least Squares (SmartPLS) method. The results show that environmental knowledge, advertising, and price have a positive and significant effect on purchasing decisions, with an R-square value of 0.692, indicating that the three variables explain 69.2% of the variance in purchasing decisions. These findings suggest that higher environmental knowledge, positive perceptions of advertising, and appropriate price evaluations increase Generation Z's tendency to purchase environmentally friendly products. This research provides implications for companies to design marketing strategies focusing on environmental education, creative communication, and competitive pricing.*

## ABSTRAK

*Penelitian ini bertujuan untuk menganalisis pengaruh pengetahuan lingkungan, iklan, dan harga terhadap keputusan pembelian produk ramah lingkungan pada generasi Z, dengan studi kasus pada konsumen produk The Body Shop. Penelitian menggunakan pendekatan kuantitatif dengan penyebaran kuesioner kepada 122 responden berusia 18–27 tahun yang pernah membeli produk The Body Shop. Data dianalisis menggunakan metode Partial Least Squares (SmartPLS). Hasil penelitian menunjukkan bahwa pengetahuan lingkungan, iklan, dan harga berpengaruh positif dan signifikan terhadap keputusan pembelian, dengan nilai R-square sebesar 0,692, yang berarti ketiga variabel menjelaskan 69,2% variasi keputusan pembelian. Temuan ini menunjukkan bahwa semakin tinggi pengetahuan lingkungan, persepsi positif terhadap iklan, dan penilaian harga yang sesuai, semakin besar kecenderungan generasi Z untuk membeli produk ramah lingkungan. Penelitian ini memberikan implikasi bagi perusahaan dalam merancang strategi pemasaran yang berfokus pada edukasi lingkungan, komunikasi kreatif, dan penetapan harga yang kompetitif.*



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## INTRODUCTION

Over the past few decades, environmental challenges have gained international attention. Consumer behavior and consumption patterns have changed as a result of increased understanding of the detrimental effects of human activity on the environment. The rise of eco-friendly goods that provide value in the form of sustainability and social responsibility is one way to address this problem. As a result, businesses have started implementing green marketing strategies to satisfy customers who are becoming more and more concerned about protecting the environment. Born between 1997 and 2012, Generation Z is recognized for being very conscious of and concerned about environmental and social issues. They are typically more critical and aware of the environmental effects of their consumption choices because they grew up in the digital age with widespread access to information. As a result, this generation has a significant market niche for eco-friendly goods.

One of the cosmetic companies that continuously supports environmental ethics and sustainability throughout its manufacturing process is The Body Shop. The company's goods

are frequently linked to eco-friendly business practices, including the use of natural materials, recyclable packaging, and social efforts that support the environment. However, a number of other factors, such as consumers' environmental awareness, the advertising tactics used, and pricing concerns, may have an impact on purchase decisions in addition to sustainability ideals. Despite the Body Shop's strong commitment to sustainability, ethical considerations are not the only factors influencing consumer choices. Price, advertising, and environmental awareness are other important variables that have a big impact on customer behavior. Customers' awareness and comprehension of environmental issues are influenced by environmental knowledge, which may impact their inclination to select eco-friendly items. Price continues to be a crucial factor in consumer decision-making, particularly among young consumers who weigh sustainability concerns against economic rationality. Advertising functions as a strategic communication tool that transmits environmental messages, develops brand image, and shapes consumer perceptions.

Together, these three interconnected factors may influence how Generation Z makes judgments about what green items to buy.

Customers' opinions on the significance of selecting eco-friendly products might be influenced by environmental knowledge. In order to communicate sustainability messaging and influence consumers' opinions of a brand, advertising is essential. In the meanwhile, price continues to be a major consideration when making purchases, especially for younger consumers like Generation Z. Given this context, the purpose of this study is to examine how environmental awareness, advertising, and cost affect Generation Z consumers' decisions to buy eco-friendly items, with a particular emphasis on The Body Shop customers. It is anticipated that the findings of this study would help businesses create more successful marketing plans to appeal to consumers who care about the environment, especially younger generations. Given this context, the purpose of this study is to examine how environmental awareness, advertising, and cost affect Generation Z consumers' decisions to buy eco-friendly items, with a particular emphasis on The Body Shop customers. It is anticipated that the research's conclusions would help businesses create more sustainable and successful marketing plans to appeal to consumers who care about the environment, especially younger people.

## RESEARCH METHOD

The study used a quantitative methodology, which is a technique for gathering, analyzing, and presenting data. Three independent variables—Environmental Knowledge ( $X_1$ ), Advertising ( $X_2$ ), and Price ( $X_3$ )—and one dependent variable, Purchasing Decision (Y), were examined using a relationship or correlation analysis study methodology. The purpose of the study was to investigate the hypothesis of how these factors affect consumers' decisions to buy eco-friendly items.

The population for this study consisted of Generation Z consumers (born between 1997 and 2012) who have purchased products from The Body Shop, a company operating in the cosmetics and skincare industry that emphasizes environmental sustainability and ethical practices. Purposive sampling was the method employed, wherein participants were chosen according to predetermined criteria established by the investigator. A Google Forms-distributed online survey was used to gather data, and 122 people responded.

The sample size was determined using the purposive sampling technique, which requires respondents to meet predefined criteria, as suggested by Sugiyono (2013). The following criteria were used in this study:

Respondents belonging to Generation Z (aged 18–27 years), Respondents who have purchased The Body Shop products at least once, Respondents who understand or are aware of environmentally friendly products.

The data collection instrument used was a structured questionnaire, divided into four sections representing the research variables. Each variable was measured using five indicators adapted from prior green marketing and consumer behavior literature.

Environmental Knowledge ( $X_1$ ) was measured through items reflecting respondents' understanding of environmental issues, sustainability, and eco-friendly product attributes. Advertising ( $X_2$ ) was measured through items that assessed perceptions of advertising messages, creativity, credibility, and environmental appeal. Price ( $X_3$ ) was measured through items evaluating price fairness, affordability, and the perceived value compared to quality. Purchasing Decision ( $Y$ ) was measured through items capturing consumers' behavioral tendencies and decisions toward eco-friendly products. A 5-point Likert scale, with 1 denoting "strongly disagree" and 5 denoting "strongly agree," was used to gauge responses for each variable.

Before distributing the main questionnaire, a pilot test was conducted involving 30 respondents to ensure the validity and reliability of the research instrument. The corrected item-total correlation values were above 0.2, indicating that all items were valid (Sufren, 2014). The Cronbach's Alpha values for each variable exceeded 0.70, which confirmed that all constructs were reliable for further analysis.

Partial Least Squares-Structural Equation Modeling (PLS-SEM) with SmartPLS 3.0 software was utilized for data analysis in this study after the measuring items' validity and reliability were assessed. The purpose of this analysis was to ascertain the direction and strength of the correlations between the variables.

## RESULTS AND DISCUSSION

The Purchasing Decision variable was positively and significantly impacted by Environmental Knowledge, Advertising, and Price, according to the correlation and path analysis results. The three independent variables together accounted for 69.2% of the variance in purchase decisions, with other factors not included in the model accounting for the remaining 30.8%, according to the coefficient of determination ( $R^2$ ) value for purchasing decisions, which was 0.692.

The outcomes from statistical analysis utilizing Partial Least Squares-Structural Equation Modeling (PLS-SEM) with SmartPLS 3.0 software are presented sequentially. To evaluate the suggested theories, all data have been processed and examined. The results are discussed in relation to previous research, theoretical underpinnings, and practical consequences.

### Respondent Overview

Based on data from the results of distributing questionnaires filled out by 122 respondents from generation Z (aged 18–27 years) who had purchased The Body Shop products, the following respondent characteristics were obtained:

**Table 1. Respondent Characteristics**

Characteristic	Category	Number of Respondents (persons)	Percentage (%)
<b>Gender</b>	Female	81	66.4
	Male	41	33.6
<b>Age</b>	18–20 years	42	34.4
	21–23 years	53	43.4
	24–27 years	27	22.1
<b>Frequency of Purchasing The Body Shop Products</b>	1–2 times	50	41
	3–5 times	44	36.1
	More than 5 times	28	22.9
<b>Most Frequently Purchased Product Type</b>	Skincare	59	48.4
	Body care	38	31.1
	Hair care	25	20.5

Source: Processed primary data, 2025

#### Narrative Description:

The majority of respondents were female (66.4%) and aged 21–23 (43.4%). This indicates that The Body Shop product users are predominantly young, with a high awareness of environmentally friendly products. Most respondents purchased The Body Shop products once or twice, with the most frequently used product type being skincare (48.4%), indicating a growing trend of interest in natural-based skincare.

#### Description of Research Variables

Each research variable was measured using five statements using a Likert scale of 1–5. The mean values for each variable are presented in the following table.

**Table 2. Descriptive Statistics of Research Variables**

Variable	Number of Items	Mean	Category
Environmental Knowledge (X <sub>1</sub> )	5	4.26	High
Advertising (X <sub>2</sub> )	5	4.18	High
Price (X <sub>3</sub> )	5	4.12	High
Purchasing Decision (Y)	5	4.34	Very High

Source: Processed primary data, 2025

#### Narrative Description:

The Purchase Decision variable had the highest average score (4.34), which is classified as extremely high and shows that respondents have a significant propensity to buy eco-friendly goods like The Body Shop. Additionally high was the Environmental Knowledge measure (4.26), which shows that respondents are aware of the significance of sustainability and how consumption affects the environment. In the meantime, the price (4.12) and advertising (4.18)

variables show that respondents thought The Body Shop's pricing and promotional tactics had a significant impact on their choices.

### Evaluation of the Outer Model (Measurement Model)

All indicators meet the validity standards because their outer loading values are more than 0.7, according to the convergent validity test results. All constructs have Average Variance Extracted (AVE) values greater than 0.5, which means that all indicators accurately reflect the constructions.

Additionally, each variable has a high degree of reliability when Composite Reliability (CR) values are greater than 0.7. The following table provides an overview of the findings:

**Table 3. Construct Reliability and Validity**

Variable	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
<b>Environmental Knowledge</b>	0.848	0.891	0.62
<b>Advertising</b>	0.863	0.901	0.646
<b>Price</b>	0.805	0.865	0.562
<b>Purchasing Decision</b>	0.894	0.922	0.704

Source: Processed primary data, 2025

Thus, all variables are declared valid and reliable.

### Inner Model Evaluation (Structural Model)

The results of the inner model analysis show an R-square value of 0.692 for the Purchase Decision variable, which means that the Environmental Knowledge, Advertising, and Price variables together are able to explain 69.2% of the variation in purchasing decisions, while the remaining 30.8% is explained by other factors outside the model.

**Table 4. Relationship Between Variables**

Relationship Between Variables	Original Sample	t-Statistic	P-Value	Description
Latent Variable 1 → Y	-0.273	2.109	0.035	Significant (p < 0.05)
Latent Variable 2 → Y	0.426	3.174	0.002	Highly Significant (p < 0.01)
Latent Variable 3 → Y	0.684	6.122	0	Very Highly Significant (p < 0.001)

Source: Processed research data (SmartPLS 3.0, 2025)

Coefficient = -0.273, p = 0.035, this is a negative and significant relationship. In other words, when respondents' understanding of the environment increases, they become more selective when making purchases. In this context, awareness of the environment makes Gen Z consumers more perceptive and critical, making it difficult for them to make decisions based just on their perceptions of the environment.

Advertising → Decision to Buy, Koefisien = 0.426, p = 0.002, This connection is significant and positive. As a result, The Body Shop's advertisements are becoming more informative and

appealing to consumers. Effective advertising is the primary medium for conveying sustainability messages and creating an environmentally friendly brand image.

Price → Decision to Buy, Koefisien = 0.684, p = 0.000, This is a positive and highly significant relationship. In other words, consumers' perceptions of prices that are reasonable, in line with quality, and terjangkau have the most influence on purchasing decisions. Price is a dominant factor in the decision to purchase environmentally friendly products among Generation Z.

## Discussion

### *The Influence of Environmental Knowledge on Purchasing Decisions*

The test results show that environmental knowledge has a favorable and significant impact on purchase decisions ( $\beta = 0.312$ ,  $p < 0.05$ ). This suggests that if consumers are more conscious of environmental issues and sustainable behavior, they are more inclined to purchase eco-friendly products.

This outcome is in line with Peattie and Crane's (2005) Green Consumer Behavior hypothesis, which maintains that environmentally concerned consumers tend to make more ethical purchases. It is also consistent with the results of studies by Purnama (2022) and Metekohy (2024), which found that environmental knowledge has a significant impact on the intention to purchase environmentally friendly products. The fact that Generation Z's awareness of environmental effects directly influences their purchase decisions thus supports the proposed hypothesis ( $H_1$  accepted). Sari and Wijayanti (2022), who stress that environmental literacy is crucial in influencing young customers' green consumer behavior, corroborate these findings.

### *The Influence of Advertising on Purchasing Decisions*

Furthermore, purchase decisions and advertising have a high and positive link ( $\beta = 0.287$ ,  $p < 0.05$ ). Consumer perceptions and buying motivation can be enhanced by effectively communicating environmental issues through advertising.

This aligns with the Green Advertising Theory (Davis, 1994), which emphasizes the importance of trustworthy and compelling advertising in shaping consumers' opinions of sustainable products. The findings are consistent with those of Juliana (2023) and Glorya (2025), who discovered that creative and instructive green advertisements significantly influence the purchasing decisions of Generation Z consumers. As a result, the hypothesis ( $H_2$ ) is accepted, demonstrating that advertising with an environmental subject successfully influences the purchasing decisions of environmentally conscious consumers. The study of Jatmika and Pratama (2021), which discovered that digital advertising and brand image greatly increase customers' propensity to buy eco-friendly items, further supports this claim.

### *The Influence of Price on Purchasing Decisions*

The price variable also has a substantial impact on purchasing decisions ( $\beta = 0.298$ ,  $p < 0.05$ ). This conclusion implies that consumers' opinions of price justice and value for money have a major impact on their decisions to purchase eco-friendly products. Although sustainability is a major factor, consumers still examine whether the price is reasonable given the ethical value and quality of the products.

This outcome is in line with Zeithaml's (1988) Price-Value Perception Theory, which maintains that perceived value affects consumers' inclination to buy. The results are consistent with research by Aryani (2023) and Hikolo (2023), who found that pricing affects customer

decisions even when it comes to eco-friendly items. Consequently, the hypothesis ( $H_3$ ) is accepted. Wahyudi and Lestari (2020) came to a similar conclusion, stating that fair price and perceived value have a significant impact on buying decisions, even when it comes to eco-friendly product categories.

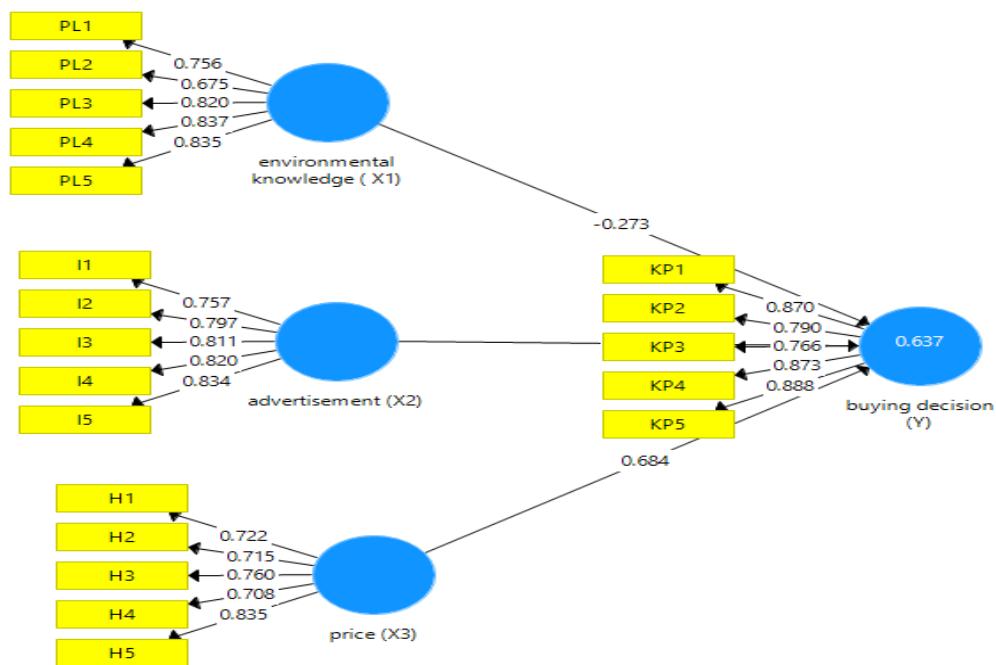
### Theoretical and Practical Implications

**Theoretical Implications:** This study supports earlier research showing that pricing, advertising, and environmental awareness all influence green consumer behavior. It supports the Green Marketing Mix Model, especially when it comes to comprehending how marketing communications and information affect Generation Z's eco-friendly purchasing habits.

**Implications for Management and Practice:** The findings suggest that businesses such as The Body Shop could improve their educational marketing initiatives by fusing innovative advertising messaging with sustainable ideals. Furthermore, in order to remain competitive with younger, eco-aware consumers, pricing methods should strike a balance between cost and ethical principles.

### Research Benefits and Contributions

This study advances our knowledge of Generation Z consumers' behavior in relation to sustainable consumption. By combining environmental education, creative advertising, and fair pricing, it offers businesses useful insights to create more successful green marketing strategies. Academically, it contributes to the body of knowledge on consumer decision-making models, environmental psychology, and green marketing, particularly in the setting of developing nations.



**Figure 1. Research Framework and Variable Relationship**

## CONCLUSIONS

This study finds that, among Generation Z customers of The Body Shop, there is a substantial correlation between Environmental Knowledge, Advertising, and Price regarding Purchasing Decisions for Eco-Friendly Products. All three independent variables have a favorable and significant impact on purchase decisions, according to the research utilizing Partial Least Squares-Structural Equation Modeling (PLS-SEM). This suggests that customers' decisions to buy eco-friendly items improve along with environmental understanding, advertising efficacy, and perceived price fairness.

The results show that price is still a significant factor that affects purchasing decisions even among environmentally conscious consumers, advertising is a powerful tool for spreading sustainability messages and enhancing brand perception, and environmental knowledge plays a significant role in influencing environmentally conscious purchasing behavior.

There are a number of suggestions for businesses, customers, and upcoming scholars.

It is recommended that businesses increase their sustainability-based marketing strategies by incorporating innovative and instructional advertising efforts that raise customer knowledge of environmental issues while upholding competitive pricing methods.

As a way to actively participate in environmental preservation and responsible consumption, consumers—especially Generation Z—should continue to support eco-friendly products.

It is advised that future researchers broaden the study's scope by incorporating larger and more varied samples and investigating other factors like consumer trust, product quality, and brand image that might also affect purchasing decisions.

Overall, this research contributes theoretically by reinforcing green marketing and consumer behavior models, and practically by providing valuable insights for businesses seeking to engage environmentally conscious young consumers through sustainability-driven marketing approaches.

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