

ABSTRACT

Sustainability is becoming a trend in today's society due to the various environmental concerns that are now emerging. The food sector has a big contribution to the sustainability issue as the industry keeps growing as it provides the basic needs of human beings.

Thus, the objective of this research study is to understand how sustainable marketing affects the purchasing decisions of generation Z in Indonesia.

The central research question of this study thesis is:

To what extent is sustainable marketing influencing the preferences of Indonesian generation Z in terms of food product decision-making and purchasing behaviour?

Indonesia was chosen according to the country's environmental issues as the *Environmental Performance Index* stated that the country is now ranked 133, with a score of 46.92 in 2022. This research study focuses on Generation Z because of their trend-following nature, preference for ethical products, and awareness of and concern about environmental and ethical issues.

The theoretical questions in this research study are:

1. What entails sustainable marketing?
2. What is the consumer decision making process and purchasing process? 3. What entails sustainable food product?
4. Who are the generation Z consumers?

The empirical questions in this research study are:

1. How aware and knowledgeable are generation Z consumers in Indonesia on sustainable marketing?
2. How does generation Z in Indonesia define sustainable food products? 3. Is sustainable branding and marketing communication affects the purchasing decision of generation Z in Indonesia on food products?
4. Are generation Z in Indonesia willing to pay more for sustainable food products? To what extent they are willing to pay more?



Qualitative research with depth interviews is used in this research study. It managed to obtain seven interviewees who are generation Z, from the age of nineteen until twenty, who live in different provinces on Java Island to make the sample representative. Furthermore, the gender population's representativeness is also taken into account. All of the interviews took place over the course of five days, from July 25 to July 29, 2022.

According to the literature study, food products decision-making is consider as a low involvement decision-making process which entails the following: (1) problem recognition, (2) intention (3) choice and (4) outcomes of choices.

When comparing the literature study and qualitative research results, all of the propositions are accepted. The correlations are:

- **Proposition 1:** Sustainable Marketing is a term to design, execute and manage the promotion of product or services to be able to communicate it as sustainable; not only the environmental effort, but also people and profit. **Proposition 1 is accepted** as generation Z in Indonesia is aware of and familiar with sustainable marketing, the interviewees defined it as a company's environmental effort to create eco-friendly products and determined ethical issues as a sustainable marketing attempt.
- **Proposition 2:** Motivation which includes customers' values and beliefs affects the consumer purchasing decision. Whereas the purchasing process of consumers of a new product or innovation entails the following: (1) awareness, (2) interest, (3) evaluation, (4) trial and (5) adoption consumer purchasing decision. **Proposition 2 is accepted** as sustainability is the motivation of the generation Z in Indonesia that influences their food purchasing decision. Whereas in the consumers purchasing process, sustainable marketing branding and communication affects the awareness, interest, and evaluation of their decision.
- **Proposition 3:** Sustainable food product means that all of the factors of that food products have to be sustainable. The attributes of sustainable food product are: creates less or even no emission, safe and healthy to consume, environmental friendly packaging and ethically sources and made. **Proposition 3 is accepted** as generation Z in Indonesia understands sustainable food product as they mentioned all the attributes of sustainable food products.
- **Proposition 4:** Generation Z entails the following characteristics; demand for freedom, realistic and strive for information, trend-oriented, want unique and prefer ethical product, aware and concerned of sustainability issue due to the environmental and ethical trend.

Proposition 4 is accepted as Generation Z in Indonesia has their own approach to food purchasing habits, realistic about the insight they have got and act realistically, strive for sustainable products as they are aware of environmental and ethical issues.

To answer the central research question, generation Z in Indonesia is willing to pay more for sustainable food products compared to non-sustainable ones. However, the price of the food product influences how much they are willing to pay. For relatively low-cost food products, Generation Z in Indonesia is willing to pay a higher price percentage and amount.

During the research process, this thesis study encountered several limitations. Due to demographic and geographic constraints, gathering data from all Generation Z individuals in Indonesia is challenging as not everyone has internet access, particularly those living on smaller islands. Thus, the interviewees came from Java Island, which is the most populated island in Indonesia. The interview was conducted entirely in English. As a result, all of the interviews were with educated students. There was a representation limitation on generation Z in Indonesia that was less educated.

Therefore, for future qualitative research, it is recommended to use a broader sample, and researchers that want to focus on generation Z in Java Island may conduct quantitative research according to these research study findings.

Keywords: sustainability, consumer behavior, willingness to pay, sustainable food product, sustainable marketing, consumer purchasing decision

Sustainability menjadi tren di masyarakat saat ini karena berbagai masalah lingkungan yang kini muncul. Sektor pangan memiliki kontribusi besar terhadap isu *sustainability* karena industri ini terus berkembang sebagai penyedia kebutuhan dasar manusia. Dengan demikian, penelitian ini bertujuan untuk memahami bagaimana pemasaran *sustainability* mempengaruhi keputusan pembelian generasi Z di Indonesia.

Pertanyaan penelitian utama dari tesis studi ini adalah:

Sejauh mana pemasaran berkelanjutan mempengaruhi preferensi generasi Z Indonesia dalam hal pengambilan keputusan produk makanan dan perilaku pembelian?

Indonesia dipilih berdasarkan isu lingkungan negara tersebut karena ‘*Environmental Performance Index*’ menyatakan bahwa negara ini sekarang berada di peringkat 133, dengan skor 46,92 pada tahun 2022. Studi penelitian ini berfokus pada Generasi Z karena sifatnya yang mengikuti tren, preferensi untuk produk etis dan kesadaran dan kepedulian tentang masalah lingkungan dan etika.

Pertanyaan teoritis dalam studi penelitian ini adalah:

1. Apa itu pemasaran *sustainable*?
2. Bagaimana proses pengambilan keputusan konsumen dan proses pembelian?
3. Apa yang dimaksud dengan produk pangan *sustainable*?
4. Siapa konsumen generasi Z?

Pertanyaan empiris dalam studi penelitian ini adalah:

1. Seberapa sadar dan berpengetahuan konsumen generasi Z di Indonesia tentang pemasaran *sustainable*?
2. Bagaimana generasi Z di Indonesia mendefinisikan produk pangan *sustainable*?
3. Apakah branding dan komunikasi pemasaran yang *sustainable* berpengaruh terhadap keputusan pembelian produk makanan generasi Z di Indonesia?
4. Apakah generasi Z di Indonesia bersedia membayar lebih untuk produk pangan *sustainable*? Sejauh mana mereka bersedia membayar lebih?

Ketika membandingkan studi literatur dan hasil penelitian kualitatif, semua proposisi diterima. Korelasinya adalah:

- **Proposisi 1:** Pemasaran *Sustainable* adalah istilah untuk merancang, melaksanakan, dan mengelola promosi produk atau layanan agar dapat mengkomunikasikannya secara *sustainable*; tidak hanya upaya lingkungan, tetapi juga orang dan keuntungan. Proposisi 1 diterima karena generasi Z di Indonesia sadar dan akrab dengan pemasaran *sustainable*, narasumber mendefinisikannya sebagai upaya lingkungan perusahaan untuk menciptakan produk ramah lingkungan dan menentukan masalah etika sebagai upaya pemasaran berkelanjutan.

- **Proposisi 2:** Motivasi yang meliputi nilai dan keyakinan konsumen mempengaruhi keputusan pembelian konsumen. Sedangkan proses pembelian konsumen terhadap suatu produk atau inovasi baru meliputi: (1) kesadaran, (2) minat, (3) evaluasi, (4) percobaan dan (5) adopsi keputusan pembelian konsumen. Proposisi 2 diterima karena keberlanjutan merupakan motivasi generasi Z di Indonesia yang mempengaruhi keputusan pembelian makanan mereka. Sedangkan dalam proses pembelian konsumen, branding dan komunikasi pemasaran yang *sustainable* mempengaruhi kesadaran, minat, dan evaluasi keputusan mereka.

- **Proposisi 3:** Produk pangan *sustainable* artinya semua faktor dari produk pangan tersebut harus berkelanjutan. Atribut produk pangan berkelanjutan adalah: menghasilkan lebih sedikit atau bahkan tidak ada emisi, aman dan sehat untuk dikonsumsi, kemasan ramah lingkungan dan bersumber serta dibuat secara etis. Proposisi 3 diterima karena generasi Z di Indonesia memahami produk pangan *sustainable* karena mereka menyebutkan semua atribut produk pangan berkelanjutan.

- **Proposisi 4:** Generasi Z memiliki karakteristik sebagai berikut; menuntut kebebasan, realistis dan berjuang untuk informasi, berorientasi pada tren, menginginkan produk yang unik dan etis, sadar dan peduli terhadap masalah *sustainable* karena tren lingkungan dan etika. Proposisi 4 diterima karena Generasi Z di Indonesia memiliki pendekatan mereka sendiri terhadap kebiasaan membeli makanan, realistis tentang wawasan yang mereka miliki dan bertindak realistis, mengupayakan produk yang berkelanjutan karena mereka sadar akan masalah lingkungan dan etika.

Untuk menjawab pertanyaan penelitian utama, generasi Z di Indonesia bersedia membayar lebih untuk produk pangan *sustainable* dibandingkan dengan yang tidak *sustainable*. Namun, harga produk makanan mempengaruhi seberapa banyak mereka bersedia membayar. Untuk produk makanan yang relatif murah, Generasi Z di Indonesia bersedia membayar dengan persentase harga dan jumlah yang lebih tinggi.



Selama proses penelitian, penelitian tesis ini menemui beberapa keterbatasan. Karena kendala demografis dan geografis, mengumpulkan data dari semua individu Generasi Z di Indonesia menjadi tantangan karena tidak semua orang memiliki akses internet, terutama mereka yang tinggal di pulau-pulau kecil. Dengan demikian, narasumber berasal dari Pulau Jawa, yang merupakan pulau terpadat di Indonesia. Wawancara dilakukan seluruhnya dalam bahasa Inggris. Akibatnya, semua wawancara dilakukan dengan siswa yang berpendidikan. Ada batasan representasi generasi Z di Indonesia yang kurang berpendidikan.

Oleh karena itu, untuk penelitian kualitatif yang akan datang, disarankan untuk menggunakan sampel yang lebih luas, dan peneliti yang ingin fokus pada generasi Z di Pulau Jawa dapat melakukan penelitian kuantitatif sesuai temuan studi penelitian tersebut.

Kata kunci: *sustainability*, perilaku konsumen, kesediaan untuk membayar, produk pangan *sustainable*, pemasaran keberlanjutan, keputusan pembelian konsumen