

CHAPTER V

CONCLUSION

5.1 Conclusion

This study was conducted to address the "green gap" phenomenon, the persistent disparity between pro-environmental intentions and actual purchasing decisions, within Indonesia's growing organic food and beverage retail sector. The Value-Belief-Norm (VBN) Theory and Signaling Theory were combined to create an integrative paradigm for this study, which focused on wealthy urban consumers shopping at upscale supermarkets in Jakarta like GrandLucky, Ranch Market, and Kem Chicks. This study examined how internal psychological factors and external market signals affect premium green purchase decisions using a quantitative Partial Least Squares Structural Equation Modeling (PLS-SEM) approach via SmartPLS 4.0. It also tested the moderating effect of consumer education level.

The empirical results demonstrate that deeply ingrained ethical views, rather than merely functional expectations, are the primary driving force behind premium green purchase decisions among Jakarta's upper-class consumers. Environmental awareness was found to be the most significant direct driver in the structural model, supporting the fundamental tenet of VBN Theory, which holds that consumers are motivated to pay a premium due to their own moral standards for the preservation of environment. Eco-Label Knowledge and Social Prestige both had notable positive influences that supported this internal desire. Objective label literacy, which is based on signaling theory, is a crucial decoding process that lessens information asymmetry and dispels doubts about greenwashing. Choosing eco-labeled products also has a subtle symbolic significance that communicates a different lifestyle within personal networks. Perceived Product Quality, on the other hand, showed a significant negative direct effect, exposing a crucial market nuance: high-income consumers treat basic functional quality as a standard baseline, so an excessive focus on physical durability may result in a trade-off perception against fresh, organic products free of preservatives.

This study emphasizes a crucial boundary condition in green consumer behavior by using Consumer Education Level as a moderating variable. Formal education at a higher level serves as an analytical filter that increases critical skepticism while refining cognitive signal processing. Higher education, in particular, greatly enhances the beneficial impact of eco-label knowledge by assisting consumers in deciphering intricate certifications and weeding out deceptive greenwashing claims. Higher education also shifts customer attention toward certified sustainability credentials by reducing dependence on generic commercial quality cues. However, once a high socioeconomic threshold is reached, internal moral beliefs and lifestyle status motives function consistently across educational levels, demonstrating that education level does not mitigate the impacts of environmental awareness or social prestige. Overall, our study shows that integrating open, verifiable market signals with deeply ingrained environmental principles is necessary to close the green gap in luxury retail.

5.2 Implication

The empirical insights gained from this study offer several key theoretical and practical contributions for researchers, manufacturers, and premium grocery managers.

Theoretical Implications

1. The study effectively combines Signaling Theory and Value-Belief-Norm (VBN) Theory into a cohesive conceptual framework designed to explain sustainable consumption in upscale retail settings. The results verify that eco-friendly purchase decisions are predicted by a combination of outward informational cues, subtle status signals, and internal psychological anchors.
2. The study reinterprets formal schooling as an active cognitive filter rather than a passive demographic control variable. The structural model demonstrates that more education increases critical skepticism regarding

generic commercial claims while also improving the consumer's ability to interpret technical information signals.

3. By identifying a quality paradox in high-end retail, the study expands on Signaling Theory. Standard functional quality is viewed as a baseline requirement by high-income urban consumers, therefore an excessive focus on traditional physical durability may unintentionally generate an impression of trade-off versus fresh, organic products devoid of preservatives.

Practical Implications

For Organic and Premium Food Manufacturers:

1. To reduce doubts about greenwashing, manufacturers could highlight certification transparency on packaging by prominently displaying identifiable, reliable third-party labels like USDA Organic, FSC, or Rainforest Alliance.
2. Promotional language should emphasize concrete ecological preservation and health benefits rather than depending on just taste or luxury positioning, since internal environmental awareness is the main factor influencing purchasing decisions.
3. By presenting eco-labeled products as representations of a responsible, sophisticated lifestyle that fits with the self-concept of affluent consumers, marketers can use subtle lifestyle positioning.

For Premium Grocery Retail Managers (GrandLucky, Ranch Market, Kem Chicks):

1. To improve signal processing for customers on the retail floor, retail managers should install digital QR code guides and point-of-sale educational marketing displays in specific organic lanes.

2. To sustain long-term trust among highly critical, informed customers, store managers must emphasize fresh, non-preserved product qualities, give supply-chain transparency, and uphold strict cleaning standards.

5.3 Limitation

While this study delivers valuable empirical insights, several research limitations should be acknowledged:

1. The sampling's geographic focus was limited to customers who lived in the Jakarta metropolitan area. As a result, the results might not be as applicable to secondary cities or non-metropolitan areas with different socioeconomic patterns.
2. Premium grocery store locations are unevenly distributed throughout Jakarta's sub-regions. This spatial disparity results in different levels of store availability, retail experiences, and eco-labeled product assortments accessible to respondents based on their primary shopping location, which may introduce subtle contextual biases into their responses.
3. Deep qualitative details, such as particular psychological motivations underlying customer skepticism toward product claims or total indifference to social status, are difficult to portray when relying solely on a quantitative approach through Likert-scale questionnaire assessments.

5.4 Recommendation

Several strategic recommendations are made for future scholars and industry practitioners based on the empirical findings of this study. Brand managers should place a high priority on transparency by prominently displaying verified third-party eco-certifications, such as USDA Organic, FSC, or Rainforest Alliance, on product packaging, since Eco-Label Knowledge greatly influences premium purchasing decisions and is further amplified by Consumer Education Level. To lessen suspicion and foster long-term green trust, manufacturers should supplement these signals with transparent digital literacy campaigns outlining the

strict ecological requirements underlying each symbol. Furthermore, commercial language needs to shift away from superficial luxury appeals and instead emphasize concrete environmental preservation and health benefits because environmental awareness is the biggest direct predictor of purchase decisions. Implementing point-of-sale educational displays in designated organic lanes may accelerate the signal-decoding process for customers directly on the retail floor for premium supermarket operators like GrandLucky, Ranch Market, and Kem Chicks. Lastly, in order to gain the trust of discriminating urban customers, suppliers and retailers must guarantee transparent supply-chain traceability because highly educated consumers exhibit increasing critical skepticism about conventional commercial quality promises.

Scholars are advised to pursue a number of avenues for further research in order to expand the scholarly literature and overcome the limitations of this study. Future studies should think about extending the geographic sampling frame to include other significant Indonesian urban centers, such Surabaya, Bandung, or Medan, in addition to the Jakarta metropolitan area. To assess potential differences in educational moderation effects, researchers could also perform comparative multi-group analyses between typical supermarkets and luxury grocers. To account for the remaining variation in consumer purchasing decisions, future structural models should also include complementary behavioral constructs as Green Trust, Skepticism toward Greenwashing, Willingness to Pay a Premium Price, or Price Sensitivity. Last but not least, using a mixed-methods study approach that combines quantitative surveys with qualitative in-depth interviews would offer more contextual insights into how knowledgeable consumers weigh ethical integrity against product excellence when making highly involved shopping decisions.