

## THE INFLUENCE OF GREEN ENTREPRENEURSHIP AND GREEN PRODUCT INNOVATION ON THE PURCHASE INTEREST OF GENERATION Z CONSUMERS

Achmad Basofitrah<sup>1</sup>, Sudarmiatin<sup>2</sup>, Naswan Suharsono<sup>3</sup>, Puji Handayati<sup>4</sup>

<sup>1,2,3,4</sup> Universitas Negeri Malang, Indonesia

Email : [achmad.basofitrah.2504139@students.um.ac.id](mailto:achmad.basofitrah.2504139@students.um.ac.id)<sup>1</sup>, [sudarmiatin.fe@um.ac.id](mailto:sudarmiatin.fe@um.ac.id)<sup>2</sup>,  
[naswan.suharsono.fe@um.ac.id](mailto:naswan.suharsono.fe@um.ac.id)<sup>3</sup>, [puji.handayati.fe@um.ac.id](mailto:puji.handayati.fe@um.ac.id)<sup>4</sup>

DOI : <https://doi.org/10.33650/profit.v9i1.13584>

Received: November 2025

Revised: November 2025

Accepted: December 2025

### Abstract :

This study aims to examine the influence of Green Entrepreneurship and Green Product Innovation on Purchase Intention among Generation Z consumers in Malang City. A quantitative approach with a cross-sectional survey design was employed. Data were collected using a structured Likert-scale questionnaire and obtained from Generation Z respondents selected through purposive sampling. The data were analyzed using SPSS, including validity and reliability testing, normality testing, multicollinearity assessment, and multiple linear regression to test the research hypotheses. The results indicate that Green Entrepreneurship has a positive and significant effect on Purchase Intention. Similarly, Green Product Innovation demonstrates a significant contribution to increasing consumers' intention to purchase environmentally friendly products. These findings highlight that sustainable entrepreneurial practices and eco-friendly product innovations enhance young consumers' interest in UMKM products, emphasizing the strategic importance of sustainability in contemporary marketing.

**Keywords :** *Green Entrepreneurship, Green Product Innovation, Purchase Intention, Generation Z, Malang City.*

### INTRODUCTION

The background of this research arises from the demographic and economic characteristics of Malang City. Data from Radar Malang (Jawapos Group) shows that the composition of Malang City's population is dominated by the younger generation, especially Generation Z and millennials, which contribute approximately 25.44% and 25.21% of the total population, respectively. As an educational city, Malang is also inhabited by a large number of students, most of whom fall into the Generation Z category according to Radar Malang's report. On the other hand, the rapid growth of the culinary MSME sector also colors the dynamics of the local economy. According to a report by Tugu Satu Media, as many as 16,417 culinary MSMEs were recorded as operating in 2023 and increased by approximately 10% in 2024. These facts

are relevant because several studies, such as those published by (Shevia, et, all. 2023), show that Gen Z consumers have a strong concern for environmental issues and sustainability values in the purchasing decision-making process. In addition, a study in Business Perspectives found that lifestyle and trust are important factors driving sustainable consumption patterns among Indonesia's younger generation (Agustina, et, all. 2024).

Conceptually, green entrepreneurship refers to entrepreneurial activities that integrate environmentally friendly commitments into their business processes (Rusdiana, 2018). Green entrepreneurship seeks to achieve sustainable development by combining economic, social, and environmental goals (the triple bottom line). Green product innovation, on the other hand, is a company's effort to develop new products that are more environmentally friendly than conventional products (Sari and Handayani, 2020). This innovation often includes the application of the 3R principle (Reduce, Reuse, Recycle) in design and production processes to reduce waste and pollution. It is important to note that in this study, these two concepts are treated as separate independent variables (Sari and Handayani, 2020), given their distinct roles in business strategy and consumer perception.

To analyze Gen Z consumers' purchasing interest in food and beverage MSME products, a relevant consumer behavior theory is needed. Ajzen's Theory of Planned Behavior (TPB) is widely used as a theoretical framework to understand green consumer behavior, focusing on attitudes, subjective norms, and perceived behavioral control in shaping purchase intentions (Zulfikar, et. All. 2023). For example, Iqbal et al. (2024) applied the TPB framework to examine the influence of attitudes, social norms, and self-control on the green consumption behavior of Indonesians, including Generation Z. Their findings indicate that these factors collectively influence the purchasing behavior of environmentally friendly products in Indonesia (Hakim et al, 2024).

However, the Theory of Planned Behavior (TPB) has not escaped criticism. Many researchers have highlighted the limitations of the TPB, which is its inability to adequately explain impulsive behavior or certain contextual factors. In response to these weaknesses, recent studies have developed extended TPB models by incorporating additional variables or combining the TPB with other models to better accommodate the complexity of green consumer behavior (Durrani et al., 2014).

While these theoretical frameworks help explain consumer behavior in general, concerns remain that conventional theories do not fully capture the specifics of the Malang City case. The need for MSMEs to become more environmentally conscious has been identified, for example by changing aspects of production (inputs, energy, waste), marketing (products, pricing, promotions), human resources, and finance to align with sustainable development goals (Ilyas et al. 2025). Genoveva & Tanardi (2022) showed that the higher an individual's environmental awareness, the greater their intention to engage in green entrepreneurship. However, it is unknown how this awareness and environmentally friendly business strategies impact the

purchasing intentions of Gen Z consumers, particularly in the local MSME food and beverage market (Mantik et al, 2024).

In Malang City, the unique characteristics of Generation Z—who are highly tech-savvy, have a strong concern for health and the environment, and prioritize innovative products—make this group highly relevant to study from a green marketing and green innovation perspective (Agustina et al., 2024). However, existing literature still shows limitations in examining the influence of green entrepreneurship and green product innovation on Gen Z purchasing decisions, especially in the context of Malang's unique cultural and economic dynamics. Previous research in the manufacturing sector has indeed shown that green product innovation can improve company performance (Sari & Handayani, 2020). However, the direct relationship between environmentally friendly product innovation and consumer purchase intentions, especially among Gen Z, has received little attention. This research gap provides an important foundation for studies focusing on how green entrepreneurship can drive the purchase intentions of MSME food and beverage products by Gen Z consumers in Malang City, and how green product innovation contributes to shaping these tendencies.

## RESEARCH METHOD

This study used a quantitative approach with a cross-sectional survey design to examine the influence of Green Entrepreneurship and Green Product Innovation on consumer purchase intention. Data were collected using a 1–5 Likert-scale questionnaire structured based on the theoretical indicators of each variable. The study population was Generation Z consumers in Malang City, while the sample was obtained through purposive sampling, with respondents aged 18–26 years and residing in Malang City as the criteria. The sample size was determined based on the needs of the regression analysis, resulting in a minimum of 100 respondents to maintain model stability.

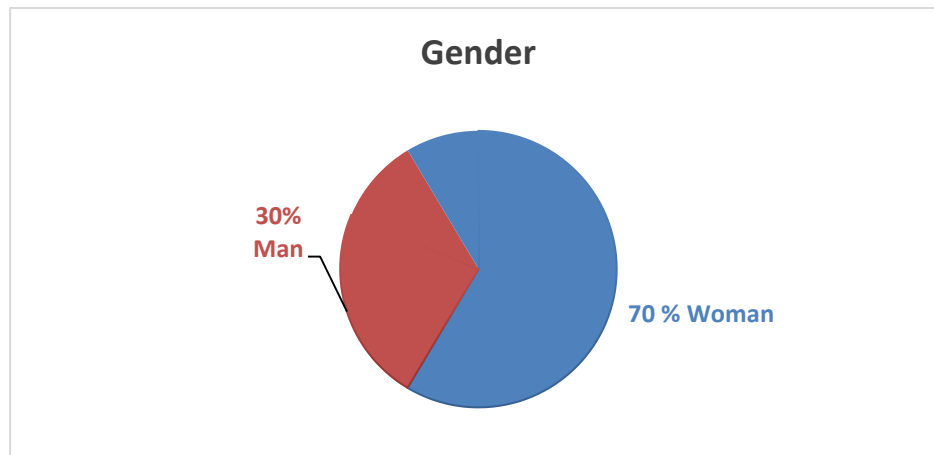
The research instrument was first tested through validity and reliability tests. Validity was assessed by examining item-total correlations, while reliability was determined using Cronbach's Alpha. The entire analysis process was conducted using SPSS, including descriptive analysis to describe respondent characteristics and data distribution, normality tests to ensure the appropriateness of parametric analysis, and multicollinearity tests to determine whether the independent variables were statistically independent (Hariyadi et al, 2023).

Hypothesis testing was conducted through multiple linear regression analysis to determine the effect of each independent variable on the dependent variable. The significance of the effect was determined by a  $p$ -value  $< 0.05$ , while the strength of the model was assessed by the coefficient of determination ( $R^2$ ). All stages of the analysis were performed sequentially to ensure that the regression model met statistical criteria and produced valid and scientifically accountable findings (Amri, Risdalina et al, 2024).

## FINDINGS AND DISCUSSION

### Respondent Profil

Graph 1 Respondent Profiles by Gender



Source: processed data (2025)

The graph shows that 70% of the respondents in this study were female. Psychologically, women are often more influenced by emotions, moods, or social factors in making purchasing decisions. They may be more sensitive to advertising and product promotions, leading to higher purchasing intentions, and are more likely to purchase items that fulfill aesthetic or emotional needs, such as fashion, cosmetics, or household items that can improve their quality of life. Furthermore, many women feel that purchasing certain items or experiences can provide satisfaction or happiness, which in turn leads them to shop more frequently.

### Validity Test

Variabel	Indikator	Total Colloration	R Table	Information
<b>Green Entrepreneurship</b>	Y1	0,618	0,2027	<b>VALID</b>
	Y2	0,762	0,2027	<b>VALID</b>
	Y3	0,674	0,2027	<b>VALID</b>
	Y4	0,674	0,2027	<b>VALID</b>
<b>Green Product Innovation</b>	X1.1	0,741	0,2027	<b>VALID</b>
	X1.2	0,734	0,2027	<b>VALID</b>
	X1.3	0,779	0,2027	<b>VALID</b>
	X1.4	0,649	0,2027	<b>VALID</b>
	X1.5	0,571	0,2027	<b>VALID</b>
<b>Purchase Interest</b>	X2.1	0,729	0,2027	<b>VALID</b>
	X2.2	0,747	0,2027	<b>VALID</b>
	X2.3	0,704	0,2027	<b>VALID</b>
	X2.4	0,586	0,2027	<b>VALID</b>
	X2.5	0,569	0,2027	<b>VALID</b>

Source: processed data (2025)

Validity testing indicates the extent to which an instrument measures validity. This can be determined by comparing the calculated  $r$  (total correlation) with the table  $r$ . If the calculated  $r$  is greater than the table  $r$ , the item or statement is declared valid. However, if the calculated  $r$  is less than the table  $r$ , the statement is declared invalid.

From this table, by observing the Corrected item-total correlation column, if the value of each variable is greater than the table  $r$ , it can be concluded that the instrument items are valid (Ghozali, 2013:52).

#### Reliability Test

No	Indicator	Alpha Coefficient	Information
1	Purchase Interest	0,769	<i>Reliable</i>
2	Green Entrepreneurship	0,775	<i>Reliable</i>
3	Green Product Innovation	0,765	<i>Reliable</i>

Source: processed data (2025)

The results of the reliability test in the table above show that the indicator items used are reliable, namely that each variable item has an  $r$  Alpha value of more than 0.6, meaning that this measuring instrument is able to produce data that can be trusted.

#### Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		65
Normal Parameters <sup>a</sup>	Mean	.0000000
	Std. Deviation	.74300864
Most Extreme Differences	Absolute	.130
	Positive	.055
	Negative	-.130
Kolmogorov-Smirnov Z		1.051
Asymp. Sig. (2-tailed)		.219

a. Test distribution is Normal.

Source: processed data (2025)

From the normality test above in table, it shows that the tested variable items are normal, namely where each variable has a significant value  $> 0.05$ .

#### Linear Regression Analysis

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.	Collinearity Statistics

		B	Std. Error	Beta		Tolerance	VIF
1	(Constant)	2.223	1.198		1.855	.068	
	Purchase Interest	.210	.102	.277	2.053	.044	.152
	Green Entrepreneurship	.031	.050	.033	.618	.539	.990
	Green Product Innovation	.443	.092	.647	4.805	.000	.152

Source: processed data (2025)

The regression coefficient (B1) indicates a Purchase Interest variable value of 0.210. The regression coefficient (B2) indicates a Green Entrepreneurship variable value of 0.031. This indicates that Green Entrepreneurship and Purchase Interest have a directly proportional relationship and a positive effect. This means that if the Green Entrepreneurship variable increases, Purchase Interest will increase, and conversely, if the Green Entrepreneurship variable decreases, Purchase Interest will also decrease.

The regression coefficient (B3) indicates a Green Product Innovation variable value of 0.443. This indicates that Green Product Innovation and Purchase Interest have a directly proportional relationship and a positive effect. This means that if the Green Product Innovation variable increases, Purchase Interest will increase, and conversely, if the Green Product Innovation variable decreases, Purchase Interest will also decrease.

**Simultaneous Significance Test (F Test) and Partial Significance Test (T Test).**

#### Simultaneous Significance Test (F Test)

ANOVA <sup>b</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	178.543	3	59.514	100.814	.000 <sup>a</sup>
	Residual	36.011	61	.590		
	Total	214.554	64			

a. Predictors: (Constant), Green Entrepreneurship and Green Product Innovation

b. Dependent Variable: Purchase Interest

Source: processed data (2025)

The F-test results obtained a significant result of 0.000, which is less than 0.05. Thus, the proposed hypothesis that Green Entrepreneurship and Green Product Innovation have a significant effect on Purchase Interest can be accepted.

**Partial Significance Test (T Test)**

Coefficients <sup>a</sup>	
---------------------------	--



		Unstandardized		Standardized				
		Coefficients		Coefficients		Collinearity Statistics		
Model		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	2.223	1.198		1.855	.068		
	Purchase Interest	.210	.102	.277	2.053	.044	.152	6.597
	Green Entrepreneurship	.031	.050	.033	.618	.539	.990	1.010
	Green Product Innovation	.443	.092	.647	4.805	.000	.152	6.595

Source: processed data (2025)

The Green Entrepreneurship variable has a t-value of 0.618, with a significance level of 0.539 greater than 0.05, indicating that  $H_0$  is accepted and  $H_2$  is rejected. This indicates that the Green Entrepreneurship variable has no significant effect on Purchase Interest.

The Green Product Innovation variable has a t-value of 4.805, with a significance level of 0.000 less than 0.05, indicating that  $H_0$  is rejected and  $H_3$  is accepted. This indicates that the Green Product Innovation variable has no significant effect on Purchase Interest.

## DISCUSSION

### The Effect of Green Entrepreneurship on Purchase Interest

The results showed that Green Entrepreneurship did not significantly influence purchase intention ( $p = 0.539$ ). This finding suggests that although MSMEs implement green entrepreneurship principles such as waste reduction, energy efficiency, or the use of environmentally friendly materials, these are not yet the primary factors considered by Gen Z when purchasing culinary products.

This finding contradicts a study by Genoveva & Tanardi (2022), which stated that individual environmental awareness increases engagement in green entrepreneurship activities. However, the difference can be explained by context: Gen Z in Malang City may prioritize direct product features (taste quality, packaging, aesthetics, price) over the underlying business processes.

Furthermore, the Theory of Planned Behavior (TPB) emphasizes that purchase intention is influenced by attitudes, subjective norms, and self-control (Ajzen, in Zufikar et al., 2023). Green entrepreneurship, as a producer activity, exists "external to consumers," so it does not directly shape Gen Z's attitudes and subjective norms. This is why its contribution to purchase intention is low (Dehnad & Jamkarani, 2022).

### The Effect of Green Product Innovation on Purchase Interest

Conversely, Green Product Innovation has a positive and significant effect on Gen Z's purchase intention ( $p = 0.000$ ;  $\beta = 0.443$ ). This means that environmentally friendly product innovation including recycled packaging, the use of natural materials, the reduction of additives, and environmentally

friendly product design directly increases Gen Z's purchase intention.

This finding supports research by Sari & Handayani (2020), which states that green product innovation strengthens perceived value and business performance. In the context of young consumer behavior, product innovation is considered more easily observed and experienced directly. Gen Z is known to be responsive to sustainability factors packaged through concrete products (Agustina et al., 2024).

This finding also aligns with the TPB, where attitudes toward environmentally friendly products can be formed when consumers directly see the benefits of product innovation, such as safe consumption, environmentally friendly aesthetics, or minimalist packaging. Thus, green product innovation is more likely to create positive perceptions than the abstract concept of green entrepreneurship (Banimahd, 2021).

### **Simultaneous Influence of Green Entrepreneurship and Green Product Innovation**

Simultaneously, both variables significantly influenced purchase intention. However, the largest contribution came from product innovation. This suggests that for Gen Z consumers, sustainability is more effectively promoted through the products they see and feel, rather than through the internal operational activities of businesses.

## **CONCLUSION**

This study concludes that Generation Z's purchase interest in food and beverage MSME products in Malang City is more strongly influenced by green product innovation than by the green entrepreneurship practices implemented by business owners. Green Product Innovation demonstrates a positive and significant effect, indicating that Gen Z places high value on tangible sustainability features embedded in the product, such as natural ingredients, eco-friendly packaging, and environmentally conscious product design. Conversely, Green Entrepreneurship shows no significant influence on purchase interest, suggesting that environmentally oriented internal business practices remain less visible and therefore less central to the purchasing decisions of young consumers.

Nonetheless, both variables collectively contribute to purchase interest, implying that sustainability-driven business practices remain important, although the strategic priority for MSMEs should emphasize product-level innovation that provides direct value to consumers. These findings highlight the need for MSME actors to strengthen green marketing strategies through creative product development, transparent material usage, and sustainability attributes that are easily recognized by the market. Future research may examine other psychological or behavioral factors, such as brand trust, environmental concern, and the effectiveness of green marketing messages, to provide a more comprehensive understanding of sustainable consumption behavior among Generation Z.



## REFERENCES

- Agustina, T., Susanti, E., & Saeed Rana, J. A. (2024). Sustainable consumption in Indonesia: Health awareness, lifestyle, and trust among Gen Z and Millennials. *Environmental Economics*, 15(1), 82–96. [https://doi.org/10.21511/ee.15\(1\).2024.07](https://doi.org/10.21511/ee.15(1).2024.07)
- Amri, H. S., Risdalina, R., & ... (2024). Legal Analysis of Online Gambling and Its Criminal Threats Reviewed from Article 45 Paragraph (2) of Law Number 19 of 2016 concerning Electronic Information and .... *Enrichment: Journal of ....*
- Banimahd, B. (2021). Explaining Behavioral Tendencies in Fraudulent Financial Reporting: A Psychological Theory Test of Behavior Stability. *Journal of Management Accounting and Auditing ....*
- Dehnad, K., & Jamkarani, R. G. (2022). Analytical investigation in the evolution of financial literacy and financial behavior: a bibliometric approach. *Journal of Advances in Finance and Investment*, Vol. 3, pp. 153–190.
- Durrani, B. A., Lecturer, S., Ivanauskien, N., Volung, J., Rahmani-Nejad, L., Firoozbakht, Z., ... Wirawan, V. (2014). Implementation of E-Government in Welcoming the Contemporary Industrial Revolution 4.0 Era in Indonesia. *International Journal of Marketing Studies*, 1(1), 1–9.
- Genoveva, G., & Tanardi, C. (2022). The Role of Environmental Awareness in Encouraging Green Entrepreneurship Intention. *Journal of Entrepreneurship Studies*, 7(1), 22–35.
- Ghozali, I. (2013). Aplikasi Analisis Multivariate Dengan Program IBM SPSS. Semarang: Badan Penerbit Universitas Diponegoro.
- Hakim, A. I., Marini, Y., & Basyaruddin. (2024). Penegakan Hukum Pidana dan Praktik Akutansi Rumah Tangga Terhadap Perilaku Judi Online Di Indonesia. *Nusantara: Jurnal Ilmu Pengetahuan Sosial*, 7(2), 408–420.
- Hariyadi, S., Nugraheni, E., Antika, E., & Afriwilda, M. (2023). How common Is online game use addiction? a prevalence and motives study among undergraduate students. *European Journal of Psychological Research*, 10(4), 2023.
- Ilyas, H., Rospyana, E., Sasliana, & Mus, S. F. (2025). Green UMKM: Transformasi Bisnis dalam Upaya Menjaga Kelestarian Lingkungan. Owner: Riset dan Jurnal Akuntansi, 9(1).
- Iqbal, A., Saraswati, E., Sutrisno, T., & Tojibussabirin, M. (2024). Green consumption behaviour in Indonesia: exploring the role of government support. *Cogent Social Sciences*, 10(1), 1–16.
- Jakubowska, D., Dabrowska, A. Z., Pacholek, B., & Sady, S. (2024). Behavioral Intention to Purchase Sustainable Food: Generation Z's Perspective. *Sustainability*, 16(17), 7284.
- Mantik, J., Thahery, R., & Martha, D. (2024). Analysis of consumer behavior on purchasing decisions using q-ris as digital money at stationary Toko Merdeka in Pekanbaru. *Jurnal Mantik*, 7(4), 2685–4236.
- Sari, N. P., & Handayani, S. (2020). Pengaruh Pengungkapan Green Product Innovation dan Green Process Innovation terhadap Kinerja Perusahaan.

- Jurnal Akuntansi Unesa, 8(2), 87-107.
- Shevia, R., Christiarini, R., & Qadri, R. A. (2023). Green marketing & environmental concern: Minat beli generasi Z terhadap produk green personal care. *Journal of Business and Banking*, 13(1), 99-120.
- Suryo, B. (2025, 10 April). Usaha Kuliner Andalan Kota Malang. Tugu Satu.
- Vannie, E. (2021, 7 Januari). Dominasi Milenial dan Gen Z Bisa Gairahkan Ekonomi Kota Malang. Radar Malang.
- Zulfikar, R., Suryadi, N., Prasarry, Y. V., Barqiah, S., & Dedy. (2023). Penggunaan Theory of Planned Behavior dalam Kajian Perilaku Konsumen Hijau. *Jurnal Konsep Bisnis dan Manajemen*, 10(1), 1-16.