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MEASURING EFFECT OF GREENWASHING TO CUSTOMER'S GREEN PURCHASE INTENTION

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ABSTRACT

Purpose of this research is to explore the relationship amongs greenwashing towards green purchase intention of green products in Batam island. Considering the practice of greenwashing is still widely done, this research results put a great hope towards companies to be aware with the negative effect of greenwashing towards companies brands and selling. This research analyze the relationship amongs greenwashing, brand associations, brand credibility, brand equity and purchase intention.

Two products were chosen as an object of this research: low involvement product that is mineral water and high involvement product that is air conditioner. Data were collected from 200 green product consumers with purposive sampling and collected by questionnaire. PLS-SEM is used to test this research hypotheses.

The findings of this research indicates that green brand associations and brand credibility positively affect brand equity, and by that brand equity have a strong impacts toward green purchase intention. In additions, greenwashing negatively affect brand associations and brand credibility by that means greenwashing also indirectly affect green purchase intention negatively. This research result indicates companies to stop the greenwashing practices because it will affect their brand and affect customer's purchase intention towards their product. Greenwashing will also create a negative customers assotiations towards the brands.

Keywords : *Purchase intention, brand associations, greenwashing, brand credibility, brand equity*