

CONSUMER WILLINGNESS TO PAY FOR SUSTAINABLE PRODUCTS

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ABSTRACT

The growing awareness of sustainability among consumers in Indonesia has led to a significant shift in preferences towards more environmentally friendly products, particularly in the fashion industry. This shift has been particularly evident in the case of Sejauh Mata Memandang, a fashion brand committed to sustainability. However, despite the increasing awareness, there is limited research on how far consumers are willing to pay a premium for sustainable fashion products. This study aims to explore the factors that influence consumers' willingness to pay a premium price for sustainable fashion products, specifically focusing on Sejauh Mata Memandang. The factors examined include Environmental Awareness, Price, Product Quality, and Trendiness, with the goal of understanding how these elements contribute to Brand Image, and how Brand Image influences the willingness to pay a premium price. Using a quantitative approach, data was collected from 200 consumers who have purchased Sejauh Mata Memandang products. The findings reveal that Environmental Awareness, Price, and Product Quality have a significant effect on Brand Image, which, in turn, influences consumers' willingness to pay premium prices. However, Trendiness did not show a significant impact on Brand Image in the case of Sejauh Mata Memandang. This research contributes to the academic discussion on sustainable marketing and consumer behavior in emerging markets, offering valuable insights for brands and policymakers to develop more effective marketing strategies and sustainability-oriented policies.

Keywords: Sustainable products, willingness to pay premium price, brand image, environmental awareness, sustainable fashion.

INTRODUCTION

As awareness of sustainability grows in Indonesia, consumers are shifting their preferences towards environmentally friendly and sustainable products. This phenomenon is becoming increasingly important in the fashion industry, where brands that prioritize sustainability, such as Sejauh Mata Memandang, are gaining more attention from consumers who are concerned about the social and environmental impacts of their choices. Various studies over the past five years have shown that consumers who are more aware of sustainability tend to choose products that not only fulfill functional needs but also support broader environmental values (Hassan et al., 2019; Naderi & Vanani, 2021). Fashion brands like Sejauh Mata Memandang, which focus on eco-friendly designs, high product quality, and a commitment to sustainability, are finding their place in a market that increasingly cares about social and environmental issues. However, despite the growing awareness among consumers about sustainability, there remains a challenge in understanding the extent to which they are willing to pay more for products considered more sustainable. This study aims to explore the factors influencing consumers'

willingness to pay a premium price for sustainable fashion products, with Sejahu Mata Memandang as the object of research. The factors examined include Environmental Awareness, Price, Product Quality, and Trendiness, which are believed to affect brand image and ultimately influence consumers' decisions to pay higher prices. This study will also analyze how Brand Image functions as an intervening variable that connects these factors with consumers' willingness to pay a premium price. Additionally, this study seeks to address the research gap in the context of the Indonesian market, where, despite the growing trend of environmental awareness, little is known about how this affects consumer decisions in the context of sustainable fashion. This research will also contribute to the understanding of consumer behavior in emerging markets, particularly in the sustainable fashion industry, and provide insights that can be used by marketers and policymakers to design more effective strategies in promoting sustainable products. Using a quantitative approach and data collection through surveys from 200 consumers who have purchased Sejahu Mata Memandang products, this study aims to provide empirical evidence on the influence of these factors on brand image and willingness to pay a premium price. The results of this study are expected to significantly contribute to the development of marketing strategies for sustainable fashion brands in Indonesia, as well as strengthen the role of sustainability in influencing fashion consumption patterns. Overall, this study aims to provide a better understanding of how consumers in Indonesia respond to sustainable fashion products and the factors that most influence their decision to pay a premium price. It is hoped that the findings of this research can help Sejahu Mata Memandang and other fashion brands in developing more targeted strategies to meet the needs of consumers who are increasingly concerned about sustainability.

LITERATURE REVIEW

Environmental Awareness

According to (Bamberg and Möser, 2007) Environmental awareness refers to individuals' knowledge and understanding of environmental issues that can affect their lives. This includes knowledge about environmental damage caused by human activities and the importance of behavior change to maintain environmental sustainability. According to (Mehta et al., 2014) environmental awareness is an understanding of the importance of protecting the natural environment, as well as how human activities can negatively affect the sustainability of nature. This awareness motivates individuals to engage in activities that support sustainability and environmental protection. According to (Bamberg and Möser, 2007), environmental awareness can influence how consumers perceive brands, with brands that demonstrate a commitment to sustainability often being perceived more positively and having a strong brand image. Meanwhile, (Vlek and Steg, 2007) argue that more environmentally conscious consumers tend to value brands committed to sustainability more, which in turn can strengthen brand image and increase consumer loyalty.

H1: Environmental Awareness has a significant effect on Brand Image

Price

According to Kotler and Keller (2012) in (Brabo et al., 2021), Price is the amount of money customers pay to get a product or service. In (Hidayah & Idris, 2020) Price is a value that can be measured in money or other goods in exchange for the benefits obtained from a product or service by individuals or groups at certain times and locations. According to Kotler and Keller (2012), price has an important role in creating perceived value for consumers, where higher prices are often associated with better quality. This affects brand image, where consumers tend

to perceive brands with premium prices as having superior value and quality. Aaker (1991) states that price is a major element in brand image formation, as higher prices are often associated with higher quality products. Conversely, low prices can affect consumer perceptions of quality and a lower brand image.**H2: Price has a significant effect on Brand Image**

Trendiness

Trendiness according to Kotler and Keller (2012) is the extent to which a product or brand follows or leads the latest trends that are relevant to consumers. Trendiness can increase brand appeal by associating it with modernity and innovation. According to Boulahbel & Ghrieb (2023) in (Review, 2023) that social media marketing elements such as interaction, trends, customization, entertainment, and e-WOM contribute significantly to brand image formation. In particular, the trend element has the greatest impact on improving brand image among Ooredoo customers, suggesting that brand association with trends can strengthen consumers' positive perceptions of the brand. This is supported by the research of Wirga et al. (2022) which revealed that trends have a significant influence on brand image then Wirga et al. found that brand linkage with trends can strengthen brand image, especially in the context of digital business.

H3: Trendiness has a significant effect on Brand Image

Product Quality

According to Kotler & Armstrong (2020) Product quality is the ability of a product to demonstrate its function, including durability, reliability, accuracy, ease of operation and repair, and other attributes. Tjiptono (2019) product quality contains many dimensions and meanings, including: conformity to requirements, suitability for use, free from damage / defects, continuous improvement / improvement, and something that can make customers happy. Prawira & Yasa (2014) in their research, found that product quality has a positive and significant effect on buying interest in Samsung smartphone products in Denpasar City. This shows that product quality can strengthen brand image and influence consumer purchasing decisions. Himawan (2016) This study shows that product quality has a positive and significant effect on purchase intention of Acer notebooks. These findings support the understanding that high product quality can enhance brand image and attract consumer buying interest.

H4: Product Quality has a significant effect on Brand Image

Brand Image

Brand Image is a picture formed in the minds of consumers about the company and the products and services offered (Yudi, 2020). (Kapferer, 888) explains that brand image is the way consumers identify and understand brands. It is a collection of perceptions that consumers have based on the visible characteristics of the brand, such as logo, color, design, and user experience. Brand image can be formed by brand communication and consumer interaction with the product. (Chaudhuri and Holbrook, 2001) suggest that a positive brand image can increase brand loyalty and influence purchasing decisions, including the willingness to pay premium prices. Consumers who have a positive perception of the brand tend to be more willing to pay more because they associate the brand with higher quality, status and value. Keller (2003) states that a strong and positive brand image influences consumers' willingness to pay a premium price because the image increases the perception of quality and brand differentiation. Brands that successfully create an exclusive and classy image often trigger consumers to pay

more to get products with that brand, because they believe that premium prices reflect superior quality.

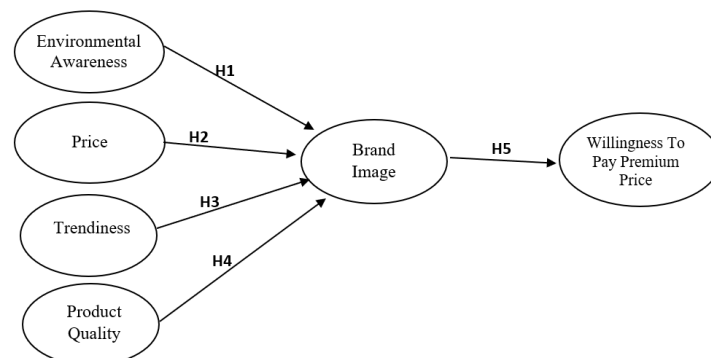
H5: Brand Image has a significant effect on Willingness To Pay Premium Price

Willingness To Pay Premium Price

According to (Zeithaml, 1988) Willingness to Pay Premium Price refers to how much consumers are willing to pay more for products or services that they perceive to have higher value, such as quality, uniqueness, or a strong brand. Factors such as perceived value and quality are the main drivers in consumers' decisions to pay premium prices. (Chaudhuri and Holbrook, 2001) state that willingness to pay premium price is the tendency of consumers to pay more for brands that they trust and that offer superior quality and pleasant emotional experiences. This is closely related to the brand image and the level of loyalty that consumers have to the brand. Kotler & Keller (2012) Kotler and Keller define willingness to pay premium price as the readiness of consumers to pay a higher price for products or services that they judge to have clear advantages over similar products, either in terms of quality, innovation, or the experience provided by the brand.

RESEARCH METHOD

This study has four independent variables, namely environmental awareness, price, trendiness and product quality as well as willingness to pay premium price as the dependent variable and brand image as the intervening variable. The type of approach used in this research is a quantitative approach. In this case, the population used is men and women, with an age range between 18 to 45 years old, concerned about environmental and sustainability issues, have bought and used products from Sejahu Mata Memandang at least 2 times in the last 6 months. This research uses snowball sampling technique, where researchers select respondents who then assist in distributing and filling out questionnaires. The sampling technique used in this research is non-probability sampling with a questionnaire as the main tool in data collection. The number of respondents collected in this study was 250 customers as far as the eye could see according to the predetermined characteristics. The conceptual model of this study examines how environmental awareness, price, trendiness, and product quality affect brand image which in turn has an impact on willingness to pay premium price, the research model can be seen below:



(Malarvizhi *et al.*, 2022)

RESULTS AND DISCUSSION

Respondent Characteristics

Respondents in this study were customers of Sejauh Mata Memandang according to predetermined characteristics. The number of respondents in this study were 200 respondents. All respondents who have filled out this questionnaire have met the criteria that have been determined since the beginning of the study.

Table 1. Characteristics of Respondents

Profile		Frequency	Percentage
Gender	Male	108	54%
	Female	92	46%
Age	18-25	20	10%
	26-35	130	65%
	36-45	50	25%

Based on Table 1, the characteristics of respondents totaling 200 respondents were found with 54% or 108 male respondents and 46% or 92 female respondents. In this questionnaire, the majority of respondents were in the age range of 26-35 years with a percentage of 65% or 130 respondents.

Validity Test

The validity test is a test that is useful to see whether a measuring instrument is valid or not. The significant level used is the Pearson Correlation test value has a sig value greater than 0.05. The following are the results of the validity test analysis that has been carried out, among others:

Variable	Indicator	Loading Factor	Description
Environmental Awareness	EA1	0.544	Valid
	EA2	0.594	Valid
	EA3	0.507	Valid
Price	P1	0.604	Valid
	P2	0.519	Valid
	P3	0.552	Valid
Trendiness	TR1	0.596	Valid
	TR1	0.531	Valid
	TR3	0.652	Valid
Product Quality	PQ1	0.675	Valid
	PQ2	0.532	Valid
	PQ3	0.518	Valid
Brand Image	BI1	0.562	Valid
	BI2	0.599	Valid
	BI3	0.822	Valid

	BI4	0.726	Valid
Willingness to Pay Premium Price	WTP1	0.586	Valid
	WTP2	0.459	Valid
	WTP3	0.549	Valid
	WTP4	0.651	Valid

Simple Linear Regression Equation

The Simple Linear Regression Equation describes the nature of the positive or negative effect of Brand Image on Willingness To Pay Premium Price. The coefficient value of the regression equation is based on the unstandardized simple linear regression coefficient value. Based on the simple linear regression output, the equation is as follows:

Table 3. Simple Linear Regression Equation

Variable	Standardized Coefficients
Brand Image	0.6378

The coefficient with a positive sign indicates a unidirectional change between the independent variable and the dependent variable, in the regression calculation above, it shows that all independent variables have a positive coefficient. The regression coefficient for Brand Image is 0.6378 and has a positive sign. this indicates that when Brand Image increases or decreases by one unit, the Willingness To Pay Premium Price will increase or decrease by 0.6378 units. this shows that there is a significant effect of Brand Image.

Multiple Regression Analysis

Multiple linear regression analysis explains the regression equation, the value of the correlation coefficient, and the coefficient of determination. Multiple Linear Regression Equations Multiple linear regression equations describe the nature of the positive or negative effect of each research variable on customer trust. The coefficient value of the regression equation is based on the unstandardized coefficients value of multiple linear regression. The results of the variable analysis can be seen in the following table:

Table 4. Multiple Regression Analysis

Variables	Standirzed Coefficients
Environmental Awareness	0.2977
Price	0.2587
Trendiness	0.0465
Product Quality	0.3660

The coefficient with a positive sign indicates a unidirectional change between the independent variable and the dependent variable. in the regression calculation above, it shows that all independent variables have a positive coefficient.

Partial Significance Test (T Test)

Table 6. Hypothesis Testing

Hypothesis	Research Model	Coefficient	Sig.	t-Stat
H1	Environmental Awareness (EA) → Brand Image (BI)	0.2977	0.000	10.259
H2	Price (P) → Brand Image (BI)	0.2587	0.000	10.259
H3	Trendiness (TR) → Brand Image (BI)	0.0465	0.335	0.967
H4	Product Quality (PQ) → Brand Image (BI)	0.3660	0.000	8.396
H5	Brand Image (BI) → Willingness to Pay Premium Price (WTP)	0.6378	0.000	6.455

H1: Environmental Awareness (EA) has a significant influence on Brand Image (BI).

The research findings indicate that Environmental Awareness has a significant and positive influence on Brand Image, with a coefficient of 0.2977 and a p-value of 0.000. This indicates that the higher the consumers' environmental awareness, the stronger the brand image that is formed.

H2: Price (P) has a significant influence on Brand Image (BI).

Price also has a significant and positive influence on Brand Image, with a coefficient of 0.2587 and a p-value of 0.000. This finding suggests that a higher price, which is often associated with premium products, can enhance perceptions of brand image.

H3: Trend (TR) has a significant influence on Brand Image (BI).

The influence of trend on Brand Image is not significant, as the coefficient is 0.0465 with a p-value of 0.335, which is greater than 0.05. This indicates that trend does not have a significant impact on brand image in this study. Trends do not significantly influence the brand image of *Sejauh Mata Memandang* because this brand places more emphasis on sustainability, quality, and ethics—values that are more relevant to consumers concerned with environmental issues rather than simply following fashion or lifestyle trends. Consumers of *Sejauh Mata Memandang* prioritize deep and lasting values, such as commitment to sustainability and product authenticity, over the temporary appeal of trends, making trend factors insufficient to significantly affect the overall brand image.

H4: Product Quality (PQ) has a significant influence on Brand Image (BI).

Product quality has a significant and positive influence on Brand Image, with a coefficient of 0.3660 and a p-value of 0.000. This finding indicates that better product quality can strengthen the brand image in the minds of consumers. The product quality of *Sejauh Mata Memandang* greatly impacts its brand image because the brand is known for its commitment to high-quality design and environmentally friendly materials, creating a positive perception among consumers. Consistent and guaranteed quality strengthens a strong brand image, which in turn increases consumer trust and loyalty. This positive brand image encourages consumers to be

more willing to pay a premium price, as they feel the higher cost is justified by the quality and sustainability value offered by *Sejauh Mata Memandang* products.

H5: Brand Image (BI) has a significant influence on Willingness to Pay a Premium Price (WTP).

Brand Image has a significant and positive influence on Willingness to Pay a Premium Price, with a coefficient of 0.6378 and a p-value of 0.000. This shows that a strong and positive brand image can increase consumers' willingness to pay a higher price for the product.

CONCLUSION

This study aims to analyze the factors that influence consumers' willingness to pay a premium price for sustainable fashion products, with *Sejauh Mata Memandang* as the research object. The findings indicate that environmental awareness, price, and product quality significantly affect brand image, which in turn increases consumers' willingness to pay a premium. Consumers with high environmental awareness are more likely to associate the brand with a commitment to sustainability, thereby strengthening the brand image and enhancing their loyalty. However, this study also found that trends do not significantly affect the brand image of *Sejauh Mata Memandang*. This is due to the brand's emphasis on sustainability, quality, and ethics values that are more relevant to environmentally conscious consumers than merely following fast-changing fashion trends. The brand has successfully built an image that focuses more on quality and sustainability rather than on temporary market trends. Product quality has a significant impact on the brand image of *Sejauh Mata Memandang*, as the brand is known for its high-quality designs and environmentally friendly materials. Consistent and guaranteed quality helps establish a strong brand image, which in turn increases consumer trust in the product. This positive brand image encourages consumers to pay a premium price, as they feel that the higher cost is justified by the quality and values offered by the product. Furthermore, the premium pricing of *Sejauh Mata Memandang*'s products does not reduce the brand's appeal to consumers. On the contrary, consumers who value quality and sustainability perceive that the higher price corresponds to the value they receive—not only in terms of product quality but also in the positive environmental impact. This demonstrates that the willingness to pay a premium is driven by positive perceptions of product quality and sustainability. Overall, this study provides valuable insights for sustainable fashion brands in developing more effective marketing strategies. By focusing on product quality and sustainability, *Sejauh Mata Memandang* can continue to strengthen its positive brand image, which not only enhances consumer willingness to pay premium prices but also supports the growth of a more sustainable fashion market. This study offers important insights into the consumption patterns of sustainable fashion products in Indonesia, which are evolving alongside growing environmental awareness. The findings show that Indonesian consumers are increasingly prioritizing sustainability and product quality, which may drive a shift in consumption behavior toward more environmentally friendly choices. This research also suggests that sustainable fashion brands like *Sejauh Mata Memandang* can leverage the growing trend of environmental awareness in Indonesia to reinforce their brand image and attract sustainability-minded consumers. Additionally, the findings can serve as a foundation for marketers and policymakers to design more effective and relevant marketing strategies for the Indonesian market, which is increasingly oriented toward social and environmental values. By understanding consumer preferences for sustainability, brands can create products that not only fulfill functional needs but also contribute positively to the environment. This study is also expected to contribute to the discussion of sustainable marketing in Indonesia and support the

fashion industry in further integrating sustainability principles into their businesses, promoting the growth of a sustainable market in Indonesia.

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