

# Chapter 1

## Introduction

### 1.1 Background

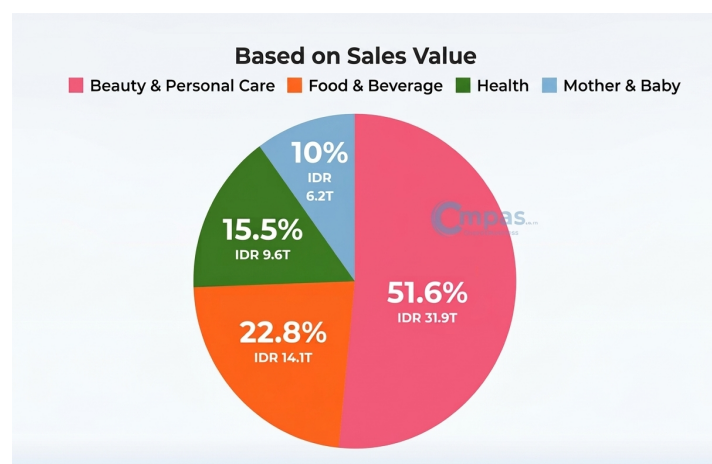
In today's commercial market, businesses must be able to adapt to consumer expectations that are dynamically changing (Navarro et al., 2022). As markets are transforming to a competitive "Red Ocean", companies need to quickly develop clear and tailored differentiation strategies to offer suitable goods with evolving consumer values (Yupelmi et al., 2023). A strategy that has gained attention is integrating sustainability initiatives into branding and product development. Sustainability has changed from being a niche interest into a core business value and consumer expectation (Traiyarach, 2025). A recent study by Sembhodo et al. (2025) states that consumers are now more invested in products that resonate with their values, especially those that align with social and environmental matters. This reality pushes the need for businesses to incorporate sustainability and environmental practices as a unique value proposition (UVP) to strengthen long-term competitive advantage (Beusch et al., 2021).

A study by Rocca et al. (2024) states that industries that put sustainability as a part of a company's vision can win the market and gain an advantage in brand reputation. Among all industries, the beauty industry has been growing rapidly over the past years, with market value projected to reach USD 644.17 billion by 2034 (Fortune Business Insights, 2026). Within this landscape, the reflection of the United Nations Sustainable Development Goals (SDGs) is starting to be integrated in the beauty and personal care industry (Lim & Kwon, 2023). The beauty industry is surging in promoting sustainable practices and using natural claims to capture consumers' attitudes and purchase intention (Limbu & Ahamed, 2023). As a result, natural beauty products have changed from being a niche market to a central lifestyle option for modern consumers. There is a critical urgency for companies to understand the external and internal stimuli of consumers in this sector. Natural beauty products

usually prioritize the use of natural ingredients, environmentally friendly packaging, and gentle formulations (Sumphasomboon et al., 2022; Sadiq et al., 2020). As the demand for natural beauty products continues to increase, it explains that consumers have now adopted a high awareness of environmental issues and health (Mamta & Prakash, 2025; Shim et al., 2024).

Indonesia stands out with an emerging beauty sector that has transformed from a secondary category to one of the main driving forces of the creative economy and light manufacturing (Saparuddin et al., 2025), with a 4.17% CAGR projected to 2030 based on Statista (2026). Market growth in Indonesia is inseparable from various factors, which include shifting lifestyles, a growing middle class, social media influence, and the growth mindset of the younger generations about businesses (Destriyansyah et al., 2023). Specifically, young generations drive beauty trends and lifestyle branding.

This market's dominance is particularly evident in the e-commerce industry. Data from [Compas.co.id](https://compas.co.id) (2024) reveals that the beauty and personal care sector has contributed 51.6% (IDR 31.9 trillion) of total FMCG sales within Shopee and Tokopedia, which has proven the central role of the sector.



**Figure 1.** Data on the amount of FMCG sales ([Compas.co.id](https://compas.co.id), 2024)

Parallel to the financial expansion, an increasing awareness of environmental concerns has led Indonesians to prefer sustainable and eco-friendly beauty products (Yosita et al., 2026). Within this

expansion, many brands are growing to promote natural beauty products with sustainability marketing approaches (Nayak et al., 2024). Aside from sustainability effects, consumers start to be concerned about how beauty products can affect health and wellness (Mamta & Prakash, 2025). Many brands highlight eco-friendly ingredients, gentle formulations, and environmentally friendly packaging to capture environmentally friendly consumers. However, concerns are growing with the number of sustainability claims. Ingredient transparency, greenwashing, and overclaim issues are risky to deal with as they could destroy consumers' trust in the brand and product (Adhikari et al., 2026). Sometimes, to pass the certification and screening, vague ingredient establishments and false claims are made by firms (Aulia, 2024). As environmental attributes are not easily defined, trust becomes an essential factor to influence consumers to purchase natural beauty products (Traiyarach et al., 2025). In the context of a green lifestyle, consumer attitudes toward green products play a primary role in shaping purchasing intentions (Olfat, 2024). However, existing past literature overlooked green attitude as only one dimension of a variable (Cheung & To, 2019) or a mediating role (Wang et al., 2022). Consequently, this research uses a multidimensional approach to better understand green attitudes in a wide scope.

In addition, regardless of the rising interest in natural beauty products and environmental concerns, consumers remain unpredictable about what factors can push purchase intentions (Dlamini & Mahowa, 2024). The reason for this is that major research only treats green products as a single category (Tampubolon et al., 2025). Whereas different green products have their own unique factors that drive purchase intention. In this context, natural beauty products are specialty goods that influence self-image and personal health. A literature gap exists underlining product-specific factors that can project green attitudes differently. By putting the focus on natural beauty products, this research provides a comprehensive capture of the multidimensional nature of green attitudes. Aside from that, past research by Lavuri et al (2022) includes only four variables, whereas in this study, green awareness (Dlamini & Mahowa, 2024; Tampubolon et al., 2025) is added to enrich the research

library. Furthermore, where the SOR framework is hugely implied in main sustainability behavior studies, such as circular housing (Chen et al., 2024), energy sector (Zhang et al., 2026), restaurant sustainability (Jun & Yoon, 2024), healthcare telemedicine (Loutfi et al., 2025), this theory remains scarce applied to natural beauty industry, especially in Indonesia which also captures the emerging country perspective. Therefore, this study aims to highlight this gap with urgency to fully comprehend constructs for the development of natural beauty products in Indonesia (Dlamini & Mahowa, 2024).

## **1.2 Research Problem**

Sustainable issues have been a global concern in recent years (Cam, 2023). Past linear production cycles and unsustainable consumption have severely disrupted the environmental balance, resulting in greenhouse gas emissions, an increase in carbon dioxide levels, and huge amounts of waste disposal (de Morais et al., 2021). These issues can impact both human health and wellness in the long run (Alam et al., 2023).

Through these mandates, many initiatives are being implemented globally, which are embedded in the Sustainable Development Goals (SDGs) by the United Nations. The new era of green consumerism has emerged, which is a critical response to global environmental responsibilities in alignment with the United Nations' SDG 12 (Responsible Consumption and Production). This environmental awareness has fundamentally shaped consumer behavior, leading many consumers to feel responsible for favoring products that minimize environmental footprints (Reddy et al., 2023). In addition, as it is further raised by SDG 3 (Good Health and Well-being), the green lifestyle is directed to balance the ecosystem and personal health. To align with this value, many businesses start to integrate green initiatives to enhance their credibility (Li et al., 2024). Numerous industries also use this opportunity to develop eco-friendly products to answer the huge demand scale for eco-friendly products, likewise for the beauty industry.

As consciousness is surging about environmental issues in Indonesia, there has been a growing interest in natural and organic products that shape the market (Yosita et al., 2026; Euromonitor International, 2025), and it is turning into a societal challenge. Businesses have increasingly produced beauty eco-friendly product lines to seize the opportunity. Despite the growth of the eco-friendly beauty sector, there is a lack of research on how consumer trust and multidimensional green attitudes drive purchase intention of natural beauty products in Greater Jakarta. Previous studies have mentioned the importance of this topic, as displayed in Table 1. By studying these factors, this study gives comprehension on the beauty industry in Indonesia on product development and green marketing strategies to align with the specific drivers of urban Indonesian consumers.

**Table 1.** Key theories of research importance

| Author                 | Title                                                                                                                                   | Place of publication                | Main findings                                                                                                             |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Limbu & Ahamed (2023)  | What Influences Green Cosmetics Purchase Intention and Behavior? A Systematic Review and Future Research Agenda                         | Sustainability                      | Research on this topic is growing; there are only a few empirical studies of green or natural cosmetic purchase intention |
| Dwivedi et al. (2025)  | Evolution of consumer perceptions and intentions in the green cosmetics market: a thematic and trend analysis                           | Frontiers in Sustainability         | Green cosmetics are in demand as people are concerned with health and environmental issues                                |
| Szaban et al. (2025)   | Unpacking consumer price perceptions: The role of sustainability and ethical labels in the cosmetics market                             | Journal of Cleaner Production       | Sustainable consumption and individual values have largely influenced the consumer perceptions of sustainable cosmetics   |
| Lavuri et al. (2022)   | Green factors stimulating the purchase intention of innovative luxury organic beauty products: Implications for sustainable development | Journal of Environmental Management | Applied Stimulus-Organism-Response (SOR) theory to explain the purchase intention of luxury organic cosmetic products     |
| Eyasu et al. (2026)    | Green marketing practice and green purchase intention: a bibliometric analysis and systematic literature review                         | Future Business Journal             | Trust is fundamental to the success of green marketing, highlighting the importance of trust-building                     |
| Mamta & Prakash (2025) | Publication trends and green cosmetics buying behaviour: A comprehensive bibliometric analysis                                          | Heliyon                             | Understanding consumer behavior is important for the success of promoting sustainable products                            |

### **1.3 Research Questions**

Based on the background and problem of the study, this research will address these research questions:

**RQ1:** To what extent does a green attitude affect purchase intention toward natural beauty products?

**RQ2:** To what extent does a green attitude affect trust toward natural beauty products?

**RQ3:** To what extent does trust affect purchase intention toward natural beauty products?

**RQ4:** In what ways does trust mediate the relationship between green attitude and purchase intention toward natural beauty products?

### **1.4 Research Objective**

In order to answer the research questions, the main objective of this study is to analyze how green attitudes and trust influence purchase intentions toward natural beauty products in Greater Jakarta. Specifically, this study also aims to:

1. To explore the effect of a green attitude on purchase intention for natural beauty products.
2. To analyze whether a green attitude positively affects trust in natural beauty products.
3. To assess the positive effect of trust on purchase intention for natural beauty products.
4. To investigate the mediating role of trust in the relationship between green attitude and purchase intention.

### **1.5 Hypothesis**

The proposed hypotheses in this study are as follows:

**H1:** Green attitude positively affects purchase intention toward natural beauty products.

**H2:** Green attitude positively affects trust in natural beauty products.

**H3:** Trust positively affects purchase intention toward natural beauty products.

**H4:** Trust positively mediates the relationship between green attitude and purchase intention toward natural beauty products.