DETERMINANTS OF REPURCHASE INTENTION OF ORGANIC FOOD AMONG GENERATION Z IN INDONESIA

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Abstract - This study aims to examine the influence of perceived social responsibility, price fairness, perceived quality, and perceived value on the repurchase intention of organic food among Generation Z in Indonesia. The widespread use of chemical pesticides in food production has driven increased demand for organic food, which is considered safer and more environmentally friendly. Generation Z, with its strong awareness of social and environmental issues, has the potential to become loyal consumers of organic food. This study used a quantitative method, distributing an online questionnaire to 210 respondents who had purchased organic food. Data analysis was conducted using Structural Equation Modeling (SEM) to test the relationships between variables. The results showed that perceived price fairness, perceived quality, and perceived value positively and significantly influenced the repurchase intention of organic food among Generation Z. Additionally, consumer social responsibility had a positive and significant impact on both price fairness and perceived quality. Furthermore, the mediating role of perceived value was found in the relationship between price fairness and repurchase intention as well as perceived quality and repurchase intention. This study provides insights for organic food producers to develop more effective marketing strategies by considering factors influencing Generation Z consumers' repurchase decisions

Keywords - Generation Z, Organic Food, Repurchase Intention

I. INTRODUCTION

Agriculture is a vital sector in the global economy as it provides food, a basic human need. However, in recent decades, the widespread use of chemical pesticides in agricultural practices has raised various environmental and human health concerns. Many developing countries, including Indonesia, are among the largest users of chemical pesticides worldwide. The excessive use of chemical pesticides not only contaminates soil and water but also leaves harmful residues on food products. These residues can negatively affect human health, leading to issues such as nervous system disorders, cancer, and genetic abnormalities (Gupta et al., 2024; Rueter, 2022)

In response to these concerns, organic food has emerged as a safer and more environmentally friendly alternative. Organic food is produced without the use of synthetic chemicals such as pesticides and chemical fertilizers. The organic food production process prioritizes ecosystem balance and human health (Nguyen et al., 2019). The global organic food market has continued to grow significantly, reaching USD 205.9 billion in 2023, and it is expected to keep increasing (financeyahoo, 2024). In Indonesia, a similar trend is occurring, with a rise in both organic food producers and consumers (Alkausar, 2023).

Generation Z, born between 1997 and 2012, is a demographic group that has grown up in the digital age with broad access to information. Generation Z is known for its strong concern about social, health, and environmental issues. They tend to be more aware of the negative impacts of conventional products, including food produced with chemical pesticides (Molinillo et al., 2020). As a result, Generation Z has a stronger preference for sustainable products, including organic food. However, despite their high awareness of the importance of organic food, several barriers reduce their intention to repurchase such products, including the perception of higher prices, limited product availability, and a lack of adequate information (Singh & Alok, 2021).

Perceptions of price fairness, quality, and social responsibility are important factors that influence Generation Z's intention to repurchase organic food. Perceived price fairness plays a crucial role in purchase decisions. Although organic food is often more expensive than conventional products, consumers who perceive that the price is fair and proportional to the quality and benefits obtained tend to have a higher intention to repurchase the product (Toni & Mazzon, 2014).

Perceived quality also influences purchasing decisions. Consumers who believe that organic food is superior in terms of nutrition, taste, and health benefits are more likely to repurchase the product (Jayanti et al., 2022). Furthermore, consumer social responsibility, reflecting awareness of the importance of choosing environmentally friendly products and supporting social welfare, also significantly impacts the intention to repurchase organic food. Generation Z, with its high awareness of social and environmental issues, tends to be more loyal to products that align with their values (Schlaile et al., 2018).

Several factors hinder Generation Z's intention to repurchase organic food. One of the main factors is the higher price compared to conventional products)

(Nasiri, 2016). Additionally, the limited availability of organic food products in the Indonesian market is a barrier for consumers who wish to continue purchasing these products. Inadequate information about the benefits and advantages of organic food compared to conventional products also hinders the increase in repurchase intention among Generation Z (Rejikumar, 2016).

Based on this background, the research questions in this study are: (1) Does consumer social responsibility perception positively and significantly affect the perceived price fairness of organic food among Generation Z? (2) Does consumer social responsibility perception positively and significantly affect the perceived quality of organic food among Generation Z? (3) Does perceived quality positively and significantly influence the perceived value of organic food among Generation Z? (4) Does perceived price fairness positively and significantly influence the perceived value of organic food among Generation Z? (5) Does perceived value positively and significantly influence the repurchase intention of organic food among Generation Z? (6) Does perceived price fairness positively and significantly influence the repurchase intention of organic food among Generation Z? and (7) Does perceived quality positively and significantly influence the repurchase intention of organic food among Generation Z?

II. MATERIALS

A. Consumer Behavior

Consumer behavior is the study of how individuals, groups, and organizations select, purchase, use, and dispose of goods, services, ideas, and experiences to satisfy their needs and desires (Kotler & Keller, 2016, p. 179). Successful marketing decisions require an understanding of consumer behavior, compelling companies to gather information on this behavior (Mothersbaugh et al, 2016, p. 7).

B. Purchase Intention

Purchase intention is the consumer's desire to buy a product (Kotler & Keller, 2016, p. 468). It is a key concept frequently used in product testing, forecasting, advertising research, and market segmentation. Purchase intention occurs during the pre-purchase stage, as it represents a decision made by consumers before making a transaction (Yi et al., 2024). At this stage, consumers evaluate various product options, gather information, consider their needs and motivations, and are influenced by social and psychological factors.

C. Repurchase Intention

Repurchase intention refers to the consumer's desire to buy a previously purchased product. This intention is related to the motives that drive consumers to continue using or purchasing certain products (Kotler & Keller, 2016). Repurchase intention occurs when consumers repeatedly purchase a product, often triggered by positive experiences with the product or service.

Repurchase intention is the likelihood that a consumer will buy a product or service again in the near future and continue using and enjoying it regularly (Thanki et al., 2022). Repurchase intention falls under the post-purchase stage as it is based on the consumer's evaluation and experience after using the product or service (Yi et al., 2024).

D. Perception

Perception is a process that begins with sensory exposure, followed by attention to marketing stimuli, and concludes with interpretation (Mothersbaugh et al, 2016, p. 282). In the context of consumer behavior, perception refers to the process by which individuals select, organize, and interpret incoming information to form a meaningful understanding of their surroundings (Mothersbaugh et al, 2016, p. 282)

E. Perceived Consumer Social Responsibility

Consumer social responsibility perception refers to how consumers understand their role in responsible consumption activities that prioritize social, environmental, and personal health interests (Singh & Alok, 2021). Consumer social responsibility is a set of moral principles and standards that guide individuals in acquiring, using, and disposing of goods and services to minimize negative impacts and maximize positive effects on society and the environment (Trang et al., 2023).

F. Perceived Price Fairness

Price fairness refers to the consumer's understanding or view of the prices set by producers (Singh & Alok, 2021). It involves comparing prices against market standards, allowing consumers to assess whether the price is fair, excessive, or insufficient (Singh & Alok, 2021). Price fairness perception reflects consumers' judgment of whether a product's price is proportional to the benefits they receive, considering perceived quality and market comparisons (De Toni et al., 2018). Consumers feel the price is fair when they believe the product's price matches the benefits they receive (Singh & Alok, 2021).

G. Perceived Quality

Quality is the totality of product or service features and characteristics, based on its ability to satisfy expressed or implied needs (Kotler & Keller, 2016, p. 156). Marketers play a key role in achieving high levels of overall quality to ensure a company's sustainability and profitability (Kotler & Keller, 2016, p. 156).

Quality perception refers to consumers' assessment of the totality of product or service features and characteristics, based on its ability to satisfy their

expressed or implied needs. This perception is influenced by intrinsic cues such as taste and nutritional value, as well as extrinsic cues like marketing messages conveying product quality. Positive quality perception strengthens consumer confidence in a product's quality (Jayanti et al., 2022).

H. Perceived Value

Value perception refers to an overall evaluation of what is received versus what is given in a product, considering the benefits and quality received compared to the sacrifice made in paying the price (Singh & Alok, 2021).

III. RESEARCH METHODS

This study utilizes a quantitative approach aimed at examining the relationships between variables that influence the repurchase intention of organic food among Generation Z in Indonesia. The research design is descriptive, employing a survey method with a questionnaire as the data collection instrument.

The population of this study consists of Generation Z individuals who have purchased organic food in Indonesia. The sampling technique used is purposive sampling. A total of 210 respondents were selected, all of whom met the criteria of being aged 12 to 27 years old in 2024 and having purchased organic food in the past six months.

The instrument used in this study was a questionnaire based on a 5-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). Data collection was conducted online through the Google Forms platform. The data analysis technique used in this study is Structural Equation Modeling (SEM).

IV. RESEARCH MODEL

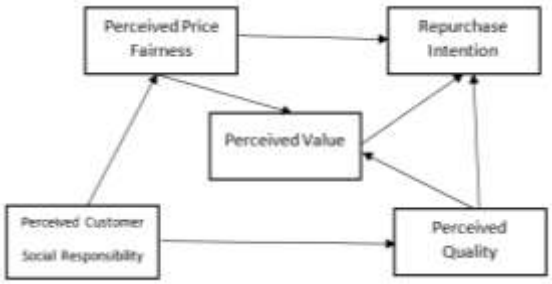


Figure 1. Research Model (Singh dan Alok, 2021)

V. RESEARCH RESULT

This study was conducted to identify the factors that influence the repurchase intention of organic food among Generation Z in Indonesia. The sample used in this study consists of 210 Generation Z respondents who have purchased organic food. Data collection was carried out through an online survey distributed via social media and messaging applications.

Characteristic		Frequency	Percentage (%)
Gender	Male	90	43
	Female	120	57
	Total	210	100
Final Education Level	High School or Equivalent	15	7
	Diploma (D1/D2/D3/D4)	8	4
	Undergraduate (S1)	136	65
	Postgraduate (S2)	51	24
	Total	210	100
Occupation	Entrepreneur	81	39
	Civil Servant	29	9
	Private Employee	33	16
	Teacher	21	10
	Healthcare Worker	6	3
	Student	50	23
	Total	210	100
Monthly Income	< IDR Rp. 1.000.000	24	11
	IDR Rp. 1.000.000 - 3.000.000	39	19
	IDR Rp. 3.000.001 - 5.000.000	47	22
	IDR Rp. 5.000.001 - 7.000.000	33	16
	IDR > Rp. 7.000.000	67	32
	Total	210	100

Source: Primary Data, 2024

Table 1. Demographic Profile of Respondents

Based on Table 1, the demographic characteristics of respondents show that the majority are female (57%). In terms of education, most respondents have an undergraduate degree (65%). The majority of respondents work as entrepreneurs (39%) and earn more than IDR 7,000,000 per month (32%).

Variable	Mean	Standard Deviation
Perceived Consumer Social Responsibility	4,190	0,779
Perceived Price Fairness	3,893	0,924
Perceived Quality	4,389	0,641
Perceived Value	4,135	0,800
Repurchase Intention	3,916	0,825

Source: Primary Data, 2024

Table 2. Descriptive Statistical Analysis Results

Based on Table 2, the results show that the perception of organic food quality has the highest mean score (mean = 4.389) compared to other variables. This indicates that Generation Z tends to have a highly positive perception of the quality of organic food. Meanwhile, the perception of price fairness has the highest standard deviation (SD = 0.924), indicating a wide range of views among respondents regarding the price of organic food.

Validity and Reliability Tests

The results of the validity and reliability tests conducted in this study indicate that all indicators are valid and reliable. The validity test was conducted through convergent and discriminant validity analyses. The results of the convergent validity test show that the outer loading values for each indicator are greater than 0.7, and the AVE (Average Variance Extracted) values are above 0.5, indicating that all constructs meet the requirements for convergent validity. Moreover, the discriminant validity test

shows that the square root of the AVE for each construct is greater than the correlation between constructs, as per the Fornell-Lacker criterion, indicating good discriminant validity.

The reliability test was conducted using Cronbach's Alpha and Composite Reliability values, where all research variables have values greater than 0.7, indicating that the instruments used in this study have good consistency and reliability. Therefore, all instruments in this study have been proven to be valid and reliable for measuring the research variables.

		Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
H1	PTJSK -> PKH	0.320	0.325	0.065	4.887	0.000
H2	PTJSK -> PK	0.480	0.486	0.057	8.366	0.000
H3	PK -> PN	0.342	0.344	0.050	6.799	0.000
H4	PKH -> PN	0.601	0.602	0.051	11.853	0.000
H5	PN -> NMK	0.460	0.469	0.079	5.860	0.000
H6	PKH -> NMK	0.270	0.263	0.076	3.546	0.000
H7	PK -> NMK	0.149	0.148	0.049	3.042	0.002

Note: NMK = Repurchase Intention, PK = Quality Perception, PKH = Price Fairness Perception, PN = Value Perception, PTJSK = Consumer Social Responsibility Perception

Source: Primary Data, 2024

Table 3. Hypothesis Testing Results

Based on the hypothesis testing results presented in Table 3, all the hypotheses were supported with significant results. Therefore, all the hypotheses in this study were proven to have a positive and significant influence, as evidenced by the statistical analysis.

VI. DISCUSSION

This study provides important insights into the factors influencing the repurchase intention of organic food among Generation Z in Indonesia. Based on the analysis results, it was found that perceptions of quality, price fairness, value, and consumer social responsibility play key roles in shaping the repurchase intention of organic food products. These findings are consistent with several previous studies, as highlighted by Schlaile et al. (2018) and Singh & Alok (2021), which emphasize the importance of quality, fair pricing, and social responsibility in purchase decisions.

VII. PERCEIVED CONSUMER SOCIAL RESPONSIBILITY

The findings of this study indicate that the perceived consumer social responsibility significantly influences perceptions of price fairness and quality. Generation Z in Indonesia, known for their heightened awareness of social and environmental issues, tends to appreciate products that are produced with attention to social welfare and environmental sustainability. These results support the study by Trang et al. (2023), which suggests that consumers who are conscious of social responsibility tend to value ethical and eco-friendly products more. This presents an opportunity for organic food producers to emphasize social responsibility aspects in their marketing strategies.

VIII. PERCEIVED PRICE FAIRNESS

The perception of price fairness has been proven to significantly influence perceptions of value and repurchase intention of organic food. Although organic food generally has a higher price than conventional food, Generation Z tends to see these prices as reasonable if the product's quality is considered high and the benefits are directly felt. This is in line with value theory proposed by Toni and Mazzon (2014), where consumers consider fair pricing as a crucial factor in their purchase decisions.

IX. PERCEIVED QUALITY

Perceived Quality emerged as the variable with the highest mean in this study, indicating that Generation Z places great importance on the quality of organic food, especially in terms of nutrition and health benefits. This finding is consistent with the research by Jayanti et al. (2022), which found that consumers who believe organic products offer better nutrition and taste are more likely to remain loyal to those products. For producers, this highlights the importance of ensuring consistently high product quality to maintain customer loyalty.

X. PERCEIVED VALUE AND REPURCHASE INTENTION

Value perception, defined as the balance between the benefits received and the sacrifices made, was found to significantly influence repurchase intention. Generation Z, known for their high expectations of the products they consume, tends to repurchase if they feel that the product provides value that meets their expectations. This is in line with the theory proposed by Singh & Alok (2021), where consumers evaluate their experience with the product before deciding to repurchase.

XI. MANAGERIAL IMPLICATIONS

The findings of this study provide important managerial implications for organic food producers in developing effective marketing strategies. First, producers need to emphasize product quality and ensure that the prices offered are perceived as fair by consumers. Additionally, social responsibility aspects should be integrated into marketing communications to attract Generation Z, who are more concerned about social and environmental issues. By understanding the factors that influence repurchase intention, producers can enhance customer loyalty and expand the market share of organic food in Indonesia.

XII. CONCLUSIONS

This study concludes that consumer social responsibility perception, price fairness perception, quality perception, and value perception are significant factors influencing the repurchase intention of organic food among Generation Z in Indonesia. These findings can serve as a reference for organic food producers to develop more effective marketing strategies by focusing on improving quality, ensuring price fairness, and emphasizing social responsibility in production and marketing.

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