


The power of online reviews: Exploring information asymmetry and its impact on green product purchasing behavior

Ridho Bramulya Ikhsan¹  | Yudi Fernando^{1,2,3} | Anderes Gui⁴ | Erick Fernando^{4,5}

¹Management Department, Binus Online Learning, Bina Nusantara University, Jakarta, Indonesia

²Business Engineering, Faculty of Industrial Management, Universiti Malaysia Pahang Al-Sultan Abdullah, Kuantan, Malaysia

³Department of Software Engineering, Daffodil International University, Dhaka, Bangladesh

⁴Information Systems Department, School of Information Systems, Bina Nusantara University, Jakarta, Indonesia

⁵Department of Information System, Faculty of Engineering and Informatics Universitas Multimedia Nusantara, Tangerang, Indonesia

Correspondence

Ridho Bramulya Ikhsan, Management Department, Binus Online Learning, Bina Nusantara University, Jakarta 11480, Indonesia.
Email: ridho.bramulya.i@binus.ac.id

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Abstract

Manufacturers must convey accurate information about their green products to gain consumer trust. However, some manufacturers provide misleading information by falsely claiming that their products fully adhere to green concepts. Consequently, research is needed to examine customer behaviors and how they respond to information about green products. This study models the relationship between green product information asymmetry, online review quality, the propensity to trust and adopt reviews, and green product purchasing behavior. The study participants were 479 consumers who purchased green products. Data for the study were collected through an online questionnaire that was distributed on social media platforms and analyzed using partial least squares structural equation modeling. The results show that information asymmetry positively affected online review quality, review adoption, and green product purchasing behavior, while online review quality positively affected participants' propensity to trust reviews, review adoption, and purchasing behavior. The propensity to trust reviews positively affected review adoption and purchasing behavior, and review adoption positively impacted green product purchases. These results show that information asymmetry highlights the importance of consumer reviews in green product purchasing behavior. Therefore, both information asymmetry and consumer reviews influence green-product consumption. When constructing green marketing strategies, green product manufacturers must focus on a combination of perceived value and consumer trust and modify their products, production processes, packaging, and advertisements accordingly.

KEYWORDS

green products purchasing behavior, information asymmetry, online review quality, propensity to trust reviews, review adoption

1 | INTRODUCTION

The initial step toward sustainable business is a company's awareness of the importance of environmental protection. In many countries, this awareness is driven by regulations and laws that manage the global environment and increase consumer awareness to encourage their participation in its protection. Many companies are reforming their visions to become environmentally friendly (Kim & Seock, 2019). The green initiative is partially due to the long-term global consumer

benefits offered by environmentally responsible behavior (Singh & Pandey, 2018) and the opportunities it presents to turn environmental problems into benefits. Implementing a green economy requires technological innovation to achieve sustainability and low-carbon, resource-efficient conditions (Fernando et al., 2023). Hawken (2010) emphasized that merging environmental conservation and business is an economic retrieval activity. The primary purpose of a recovery-oriented company is to make its products sustainable or promote a sustainable society. As consumer demand for green products