

The Impact of Green Marketing Implementation on Brand Image and Green Consumer Behavior on The Body Shop Products in Jakarta 2022

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Abstract: The Body Shop is a company that focuses on cosmetic products. The Body Shop is famous for the products that use natural and environmentally friendly ingredients. The Body Shop emphasizes its support in every campaign that is carried out on various environmental issues circulating around the world, and involves its consumers to participate in protecting the environment. This campaign strategy is called "Green Marketing" and is one of the pioneers in Indonesia. In this study, aims to analyze the impact of the implementation of green marketing on brand image and green consumer behavior on The Body Shop products in Jakarta. This research technique uses descriptive quantitative methods with a population of users of The Body Shop in DKI Jakarta and the sample used is 150 respondents with accidental sampling. This research uses SEM-PLS analysis tool. The results of this study prove that green marketing has a significant effect on brand image and green marketing has a significant effect on green consumer behavior.

Keywords : green marketing, brand image, green consumer behavior

Abstrak. The Body Shop adalah perusahaan yang berfokus pada produk kosmetik. The Body Shop terkenal dengan produk-produknya yang menggunakan bahan-bahan alami dan ramah lingkungan. The Body Shop menekankan dukungannya dalam setiap kampanye yang dilakukan terhadap berbagai isu lingkungan yang beredar di seluruh dunia, serta melibatkan konsumennya untuk turut serta menjaga lingkungan. Strategi kampanye ini disebut "Green Marketing" dan merupakan salah satu pionir di Indonesia. Dalam penelitian ini, bertujuan untuk menganalisis dampak penerapan green marketing terhadap citra brand dan perilaku konsumen hijau terhadap produk-produk The Body Shop di Jakarta. Teknik penelitian ini menggunakan metode deskriptif kuantitatif dengan populasi pengguna The Body Shop di DKI Jakarta dan sampel yang digunakan adalah 150 responden dengan accidental sampling. Penelitian ini menggunakan alat analisis SEM-PLS. Hasil penelitian ini membuktikan bahwa green marketing berpengaruh signifikan terhadap brand image dan green marketing berpengaruh signifikan terhadap perilaku konsumen hijau.

Kata Kunci : pemasaran hijau, citra merek, perilaku konsumen hijau

1. Introduction

Globalization has many impacts on the environment, both positive and negative impacts. The positive impacts of globalization on the environment include the development of better science and technology and environmentally friendly themes and changes in values and attitudes. This is indicated by the emergence of nature-loving organizations that always protect, care for and socialize to the wider community to increase their concern in protecting the environment. Meanwhile,

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negative impact of globalization on the environment is the formation of people's lifestyles that are hedonistic and individualistic which sometimes show a lack of care for the surrounding environment. Besides that, Community activities in meeting their daily needs lead to excessive use of consumer goods and produce a lot of waste that is dumped into the surrounding environment and unwittingly causes ecosystem damage and natural disasters in the community itself. But lately more disasters have sprung up which make people start to realize the importance of care and protected the environment, the example things is by using eco friendly product.

This public awareness arises, one of which is by choosing products that are friendly to the environment and expects the company to show a commitment to preserving nature through products or green marketing strategies. *Green marketing* is the accuracy of all service activities and facilities to satisfy necessary and desires of human, without causing bad effects for the natural environment (Ottman 2011:9 in Ahmad et al., 2016). An example of green marketing is launching a product whose ingredients are non-toxic, non-emissions, and the waste is also minimally harmful to the environment and can be recycled. Some companies also implement green marketing by donating some of the profits to plant trees, clean the sea and so on.

In addition to responding to consumer demand and also having a good impact on the environment, companies also benefit from implementing green marketing, including being able to reach new markets, making the company superior to competitors, improving the company image and brand image. lead to increased profitability and loyalty.

One of the companies implementing the Green Marketing Strategy in Indonesia is The Body Shop, a British company that focuses on cosmetic, body care, skin and perfume products founded by Dame Anita Roddick in 1976. "Against Animal Testing" since 1989 to ensure all products are free from animal testing, both raw materials and finished products. Not only claiming that The Body Shop's products use natural ingredients and are free of harmful chemicals, The Body Shop's packaging is also FSC (Forest Stewardship Council) certified and ensures that the product (packaging) comes from responsibly managed forests that provide environmental benefits social and economic. By adopting a green marketing strategy. Thus, this green marketing phenomenon, apart from being a way for business people to show their social responsibility towards the environment, is also able to increase brand loyalty and corporate image.

However, in the process of implementing the green marketing concept, there are several problems that are likely to occur, including requiring large initial costs, then the target market for green marketing is not too large (niche market) so that the growth of environmentally friendly products seems slow. The target market for green marketing is green consumers that are defined as individuals who buy something by first paying attention to the impact of the product consumed on the environment (Irawan & Vianney in Utami, 2020).

With consumers awareness of the importance of using environmentally friendly products and also supported by green marketing by the company, new habits will emerge for consumers to prefer using environmentally friendly products. This consumer habit is called green consumer behavior which is related to the quality of the environment and natural resources that are maintained will

ensure the balance and sustainability of the environment. Based on the above background, the author is interested in researching with the title "Impact of Green Marketing Implementation on Brand Image and Green Consumer Behavior in The Body Shop Products in Jakarta in 2022".

Green Marketing

(Kotler, 2015) Defines marketing as an organization purpose and the entire processing of create, communicate and deliver value to customers and manage customer relationships in ways that are beneficial to the organization and stakeholders. (Ahmad et al., 2016). Marketing management is an activity for analyzing, planning, coordinating, and controlling all activities related into the process of designing, launching a product, communicating, promoting and distributing products, also setting prices and sell them, with the purpose of satisfying consumers and at the same time achieving long-term corporate organizational goals. (Assauri in Ahmad et al., 2016). Thus, the term green marketing was first introduced by the American Marketing Association (AMA) in the late 1970s. The AMA defined green marketing as "the marketing of products believed to be environmentally friendly".

According to the use of the term green marketing was first introduced in the late 1970s, namely by the American Marketing Association (AMA) which defined green marketing, namely, "green marketing is the marketing of products that are presumed to be environmentally safe". From the above definition, it can be synthesized that green marketing is a strategy carried out by companies in marketing a product to gain profits that are oriented towards environmentally friendly resources.

Brand Image

(Kotler in Santoso & Ardani, 2017) Defines brand image is the perceptions and beliefs held by consumers, as reflected by associations that are embedded in consumers' memories. Brand by (Miaty, 2020) is a way for companies (producers) to give names, symbols of goods and services they produce to make consumers recognize and remember the products made by a company. From the above opinion, Brand Image is a company's brand image that makes the product name good, and consumers know the product so that it creates a unique memory for the product.

Green Consumer Behavior

Generally, green consumers are defined as people who adopt eco-friendly behaviors and/or who purchase eco-friendly products over standard alternatives (Shamdas ani, Chon-Lin, & Richmond, 1993 in Utami, 2020). Environmentally friendly consumers tend to consume environmentally friendly products (Herri & Putri in Utami, 2020). According to some of these definitions of green consumers, green consumers are those who consider the environmental impact first before buying and consuming a product. Green Consumers Behavior (GCB) is an individual's action that is affected by the concern to the environment. This behavior is implemented when individuals searching for, buying, using, evaluating, and disposing of products (Sir in Utami, 2020). The behavior of individuals who concern about the environment will influence them to use products that friendly for the environment (Andrew & Slamet in Utami, 2020). Consumers who have a high level awareness of the environment will decide to buy environmentally friendly products rather than

ordinary products. The level of consumer awareness of sustainability can be determine by their purchasing behaviour towards environmentally friendly products.

2. Research Method

This research uses descriptive quantitative method by collecting data through questionnaires. Population is the generalization of area that are composed by: objects/subjects that have specific qualities and characteristics that are decided by researchers to be studied and then made a conclusions (Sugiono, 2010:115 on Ahmad et al., 2016). The population in this study are consumers or users of "The Body Shop" products who are domiciled in DKI Jakarta, to determine the sample using accidental sampling. Determination of the number of samples in this study using the T test with the formula: $n = Z^2 \cdot L \cdot P(1-P) / d^2$

$$= 1.9602 (0.5) (1-0.5) / 0.12$$

$$= 3.8416 (0.25) / 0.01$$

$$= 96.04$$

$$= 96 (100) \text{ samples.}$$

According to (Hair et al in Astini, 2017) The sample size for the purpose of testing the hypothesis using Structural Equation Modeling (SEM) ranges from 100-200. The guideline is 5-10 times the estimated number of parameters. Based on the number of indicators multiplied by 5 (20 x 5 = 100). However, in this study, researchers took 150 samples for more accurate data analysis results. So this research uses the SmartPLS software data analysis tool, that using computer media. PLS (Partial Least Square) is the alternative methods of Structural Equation Model (SEM) which can take measurement model testing and also Structural model testing. The measurement model serves to test the validity and reliability. While the structural model serves to test causality.

The independent variable in this study is green marketing. The dependent variable in this study is brand image and green consumer behavior. Measurement of variables in this study using a five-point Likert Scale. The variables in this study are divided into three variables (X), namely Green Marketing (X), Brand Image (Y1), and Green Consumer Behavior (Y2).

Table 1 Indicator

Construct	Items
Green Marketing	GM.1 Call to care for the environment GM.2 Application of environmental care style GM.3 Go green shop design GM.3 Eco-friendly packaging GM.4 Eco-friendly natural ingredients GM.5 Marketing strategy GM.6 Packaging GM.7 Discount products by bringing back the packaging of The Body Shop

Construct	Items
Brand Image	BI.1 Well-known brand for environmentally friendly products BI.2 Can compete with other environmentally friendly competitors BI.3 Environmentally friendly concept enhances brand image BI.4 Environmentally friendly innovation enhances brand image
Green Consumer Behavior	GCB.1 Frequent use of the product GCB.2 Frequently purchased products GCB.3 Recommend others GCB.4 Repurchase GCB.5 Loyalty GCB.6 Care for the Environment GCB.7 Change a new habits

Table 2 Constructive Validity Test Assessment Criteria

Validity	Parameter	Assessment Criteria
Convergent Validity	Loading Factor	> 0.70
	Average Variance Extract	> 0.50
Discriminant Validity	Cross Loading	Each indicator must have a higher value for each latent variable than the indicator for the other variables
	AVE Root and Correlation Latent Variables.	AVE Root > Correlation between latent variables.

Table 3 Constructive Reliability Test Assessment Criteria

Parameter	Assessment Criteria
Composite Reliability	> 0.6
Cronbach Alpha	> 0.70

3. Discussion and Result

This chapter contains the results of research data analysis related to the factors that influence Brand Image and Green Consumer Behavior on The Body Shop products in Jakarta. This data analysis aims to determine the impact of Green Marketing (X) on Brand Image (Y1) and Green Consumer Behavior (Y2). The data obtained through the distribution of questionnaires as much as 150 respondents with criteria as users of The Body Shop products.

Convergent Validity Test

Construct validity evaluation was carried out by taking into account convergent validity and discriminant validity. Convergent validity be discovered by factor loading, and the instrument is passed the convergent validity test when it has a loading factor more than 0.7.

The results of the convergent validity test are presented in the framework below:

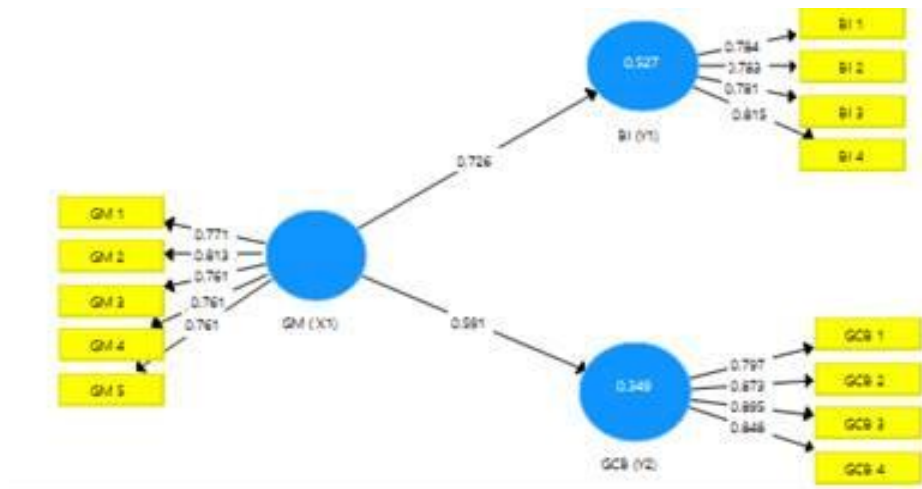


Figure 1 Framework

Table 4 The Result of Convergent Validity Test

Outer Loading	Original Simple	Mean	AVE	Standart Deviation
GM1 <- GM	0.771	0.772	0.599	0.036
GM2 <- GM	0.813	0.813		0.030
GM 3 <-GM	0.761	0.761		0.049
GM4 <- GM	0.761	0.760		0.038
GM5 <- GM	0.761	0.761		0.048
BI1 <-BI	0.784	0.784	0.625	0.038
BI2 <-BI	0.783	0.783		0.043
BI3 <-BI	0.781	0.779		0.036
BI4 <-BI	0.815	0.814		0.034
GCB1 <-GCB	0.797	0.793	0.729	0.042
GCB2 <-GCB	0.873	0.871		0.025
GCB3 <-GCB	0.895	0.893		0.024
GCB4 <- GCB	0.848	0.847		0.023

According to the result table, the concluded is that all indicators that measure Green Marketing, Brand Image, and Green Consumer Behavior variables has a value > 7%. Therefore, the item is can be claimed valid to measure the variable.

Discriminant Validity Testing

Discriminant validity can be calculated by using cross loading which has criteria with the value of loading items on the latent variable being dominant than the value of loading items on other variables, then the item is claimed valid in measuring the variable.

Table 5 Discriminant Validity Test

	BI (Y1)	GCB (Y2)	GM (X1)
GM 1	0.548	0.437	0.771
GM 2	0.565	0.478	0.813
GM 3	0.568	0.424	0.761
GM 4	0.520	0.476	0.761
GM 5	0.605	0.468	0.761
BI 1	0.784	0.631	0.632
BI 2	0.783	0.419	0.499
BI 3	0.781	0.461	0.583
BI 4	0.815	0.532	0.568
GCB 1	0.619	0.797	0.508
GCB 2	0.505	0.873	0.529
GCB 3	0.485	0.895	0.489
GCB 4	0.621	0.848	0.487

According to the cross-loading measurement on the table above, we can see that all items that measure Green Marketing, Brand Image, and Green Consumer Behavior variables have a higher loading value on the latent variable than the loading value on other variables. From this we can conclude that each indicator is able to measure the latent variable corresponding to the item.

Discriminant Reliability Testing

To test the reliability of the construct can be done using the following calculations:

Discriminant reliability (AVE), Cronbach alpha, and composite reliability. The criteria in the test state that if the discriminant reliability (AVE) value is higher than 0.5, Cronbach's alpha is higher than 0.6, and composite reliability is higher than 0.7, then the results can be claimed reliable. The results of the calculation of discriminant reliability (AVE), Cronbach's alpha and composite reliability can be seen in the following table:

Table 6 Discriminant Reliability

Construct	Indicator	Loading	Composite Reliability	(AVE)	Cronbach Alpha	Result
Green Marketing	GM 1	0.771	0.882	0.599	0.823	Fit Model
	GM 2	0.813				
	GM 3	0.761				
	GM 4	0.761				
	GM 5	0.761				
Brand Image	BI 1	0.784	0.870	0.625	0.801	Fit Model
	BI 2	0.783				
	BI 3	0.781				
	BI 4	0.815				
	GCB 1	0.797	0.915	0.729	0.875	

Green	GCB 2	0.873	Fit Model
Consumer	GCB 3	0.895	
Behavior	GCB 4	0.848	

In the Table 6, the Average value of discriminant reliability on green marketing (X) amount 0.599, brand image (Y1) amount 0.625, and green consumer behavior (Y2) amount 0.875. The result shows that value higher than 0.5, therefore all the items are claimed to be reliable in measuring the latent variable. Furthermore, the value of composite reliability on green marketing amount to 0.882, brand image amount to 0.870, and green consumer behavior variable amount to 0.915. The results show that the value is higher than 0.7. Therefore, all indicators are claimed reliable in measuring the latent variable. The Cronbach's Alpha value on green marketing amount 0.823, brand image amount 0.801, and green consumer behavior amount 0.875. So, from the calculation, all subvariables for measuring the latent variable can be claimed reliable.

Direct Effects Test

The direct effect test was conducted to determine the strength of the influence of exogenous variables on endogenous variables, either directly or indirectly. The direct effects of this research is shown in the table below.

Table 7 Direct Effects Test

Outer Loading	Path Coefficient	Sample Mean	Standard Deviation	T Statistics	P Values
GM (X) BI (Y1)	0.726	0.729	0.044	16,332	0.00
GM (X) GCB (Y2)	0.519	0.595	0.058	10.252	0.00

From the table 7, serve the data that green marketing (GM) as an exogenous variable has a direct effect on brand image (BI) and green consumer behavior (GCB) as an endogenous variable.

In SEM-PLS, hypothesis testing describe that a significant level of hypothesis can be compared between of Path coefficient and T-statistics. If the value of T-statistic is highest than the Path Coefficient value, it can conclude that the hypothesis is approved. In this study, the validity level was 95% or >0.05 for path coefficient and the T-Statistic must be >1.98. Below is a detailed description of the hypothesis testing in this study:

The Effect of Green Marketing (X) on Brand Image (Y1)

Variable X (GM) gave a positive and significant impact to variable Y1 (BI) As the results explain value of path coefficient (0.726) its means that green marketing has a positive impact on brand image. This result is significant as value of T Statistic (17.268) is higher than the path coefficient value. This proves Hypothesis 1 that green marketing has a direct and significant positive effect to brand image.

Impact of green marketing (X) on green consumer behavior (Y2)

Variable X (GM) gave a positive and significant impact to variable Y2 (GCB). As the results explain value of path coefficient (0.519) its means that green marketing has a positive impact on green consumer behavior. This result is significant as value of T Statistic (11.164) is higher than the path coefficient value. This proves Hypotesis 2 that green marketing has a direct and significant positive effect to green consumer behavior.

4. Conclusion

Based on research findings, green marketing has a positive and significant impact on Brand image, this is evidenced by The Body Shop products which are well-known by the wider community with their eco-friendly products so as to improve the company's brand image. Green Marketing also has a positive and significant effect on Green Consumer Behavior for The Body Shop customers in DKI Jakarta, which can be proven by users continuing to recommend this product to others and repurchase The Body Shop products. From the results of this study, green marketing has a positive and significant influence in improving the company's brand image.

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