

# The Analysis of Green Marketing Strategy and Product Attributes on Purchase Decision of Green Products

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**Keywords:** Marketing Strategies, Product Attributes, Green Products, Purchasing Decision.

**Abstract:** The current offer of green products are increasingly diverse, including product attributes and quality, along with the increasing competition and public awareness of the use of green products in life. This study aims to determine if the application of Green Marketing Strategy and Product Attributes can influence the decision to buy products by consumers who shop for green products. The sample of this research is 75 respondents with descriptive associative method and multiple linear regression analysis technique. The results shows the Green marketing strategy and product attributes simultaneously significant affects purchasing decision of green products. Green Marketing Strategy has a positive and significant effect on the purchase of green products and Product Attributes is influential but not significant to the purchase of green products. The results of the significance test show that the proper use of Marketing Strategy by the company management will encourage consumers to make purchases, including repeated buying, while Product Attributes although it affects the decision of usage, it is not the main consideration in deciding to buy green products offered by the company.

## 1 INTRODUCTION

Currently marketing is growing rapidly, supported by the reliability of information technology, so consumer mobility and product mobility are the main concern of corporate managers. Speed of transactions and services, has become a major part in marketing a product. Marketing is to sell high quality products of enterprises through certain channels (Cheng, 2016). Issues on globalization of the company today is also followed by the emergence of global warming issues that occur everywhere in most cities in the world. The market for green products in Indonesia today is very dynamic. Green products have their own consumers and continues to grow. Indonesia Green Site (2011) states Indonesia's market with 237 million residents proved once again to become one of the important markets in the world for the latest products and trends, including the trend of environmentally friendly products.

Catalyze Communications (2011) states Indonesian consumers are now starting to spend money with hearts, not just based on their purchasing power. While Laroche et al. (2001) states consumers adapt to the situation by considering

environmental issues when shopping and through their buying behavior. Xiangxiang (2015) states It is better for productive cities based on industrial resources conservation when developing their tourism resources. Green products help conserve energy to preserve and enhance natural environment resources and reduce or eliminate the use of toxic substances, pollution and waste (Shabani et al., 2013).

Green marketing as the marketing of products that have been assumed to be safe against ecological marketing. Chaudhary et al. (2011) the term of "green marketing" first revealed in the late 1970s. Green marketing is the consistency of all activities that design services and facilities for the satisfaction of human needs and wants, with no impact on the natural environment (Ottman, 2011). Green marketing also refers to an organization that puts its efforts in to promoting, pricing, and distributing products with eco-concerns (Sarkar, 2012).

While Kotabe and Helsen, (2008) stated that multinational companies are increasingly promoting global marketing strategies and achieving high success, for example, Nestle is successful by using common brand names applied to many products in all countries. Day (1999) states that high-

performance businesses are differentiated on all that looks attractive to have, along with other independent activities that focuses effort on functional groups on important and meaningful matters in the marketplace. It combines business activities consisting of packaging modifications, production processes, and green advertising (Yazdanifard and Mercy, 2011).

The decision to purchase a product is a purchase decision process that includes the introduction of problems, information searching, alternative evaluation, buying decisions, and postpurchase behavior where consumers are driven by the need, analyze the alternative to decide to buy and evaluate the process post purchase to the benefits of the company's products. Hypotheses of this research are:

- H<sub>1</sub> : Green Marketing Strategy and Product Attribute simultaneously affect the purchase decision green products in Manado city.
- H<sub>2</sub> : Green Marketing Strategy affects the purchase decision of green products in Manado city.
- H<sub>3</sub> : Product attributes affects the purchase decision of green products in Manado city..

## 2 METHODS

The type of research is descriptive and associative, which aims to give an overview of the object and respondents research and see the relationship between variables. The data required in this research is the survey results data to consumers who shop for green products at counters of The Body Shop for green products. The research was conducted in the period of October to December 2016. The population of this study are consumers who shop for green products both at The Body Shop counter. Purposive technique is used when the researchers selects a sample based on several criteria (Cooper and Schindler, 2006). The sample used proportionally on The Body Shop as much as 25 respondents, Hypermart 25 respondents, and Fresh Mart 25 respondents in Manado City, so the total of sample is 75 respondents. Multiple linear regression is an appropriate method of analysis when the study involves one dependent variable estimated to be associated with one or more independent

variables. The goal is to estimate the change in the dependent variable response to some independent variables. The analysis model used to test the hypothesis is:

$$PDGP = b_0 + \beta_1GMS + \beta_2PA + \varepsilon_t \quad (1)$$

Where:

- b<sub>0</sub> = Constant
- β<sub>1</sub> = Regression coefficient for GMS
- β<sub>2</sub> = Regression coefficient for PA
- ε = Standard error
- PDGP = Purchase Decision of Green Products
- GMS = Green marketing strategy
- PA = Product Attribute

## 3 RESULTS AND DISCUSSION

### 3.1 Results

The results of data collection based on questionnaires distributed and returned by the research respondents are as follows: The questionnaire was spread by 85 (100%) and Questionnaires who did not return 7 (8.24%), so the response rate of the questionnaire is 91.76%, then the qualified questionnaires are from 75 respondents, which are used as the sample in the study. The market for environmentally-friendly products has grown in line with public awareness of the use of environmentally-friendly products, including those in Manado City. Survey by Catalyze Communications (2011) states that Indonesian consumers are now starting to spend money with hearts not just based on their shopping ability.

The test results of the research instruments are all valid and reliable. All items are valid questions having a value above the value of  $r_{count} > r_{table}$ , and also the value of  $r$  is greater than the critical value that is above 0.30 ( $> 0.30$ ). While the reliability test shows all variables are reliable because it has Cronbach alpha values above the value of 0.60 or  $> 0.60$  (Malhotra, 2007). The value of Reliability (Alpha Cronbach) of each variable. For Green Marketing Strategy variable Alpha Cronbach value 0,714 for product attribute variable 0,721 and product purchase decision 0,768 because value of each statement on variable of Green Marketing Strategy, Product Attribute and decision of Cronbach Alpha value  $> 0.6$  so it is declared Reliable.

Formulation of the hypothesis is tested with the level of significance used in this study for 5 percent or  $\alpha = 0.05$ , then the results of testing the hypothesis

are: F Test, The result of regression analysis using SPSS 20.0 obtained  $F_{\text{count}} = 34,244 > F_{\text{table}} 3,12$  with significant level  $p\text{-value} = 0,000 < 0,05$ , hence it can be concluded that  $H_0$  refused or  $H_a$  accepted meaning that Green Marketing Strategy and Product Attribute jointly have a positive and significant impact on Green Product Purchase Decision. By the T Test, it can be seen that Green Marketing Strategy  $t_{\text{count}} = 8,214 > 1,9935$  and significance  $p\text{-value} = 0,000 < 0,05$ , hence it can be concluded that  $H_a$  accepted and reject  $H_0$  or Green Marketing Strategy Purchase of Green Products. Result of t test also can be seen that Product Attribute  $t_{\text{count}} = 0,618 < 1,9935$  and significance  $p\text{-value} = 0,411 > 0,05$ , hence can be concluded that  $H_a$  rejected and accept  $H_0$  or Product Attribute against the Purchase Decision of Green Products. The multiple linear regression equation as follows:

$$\text{PDGP} = 6,105 + 0,718 \text{ GMS} + 0,063 \text{ PA} \quad (2)$$

The regression model of  $\text{PDGP} = 6,105 + 0,718 \text{ GMS} + 0,063 \text{ PA} + \epsilon$ , illustrates that independent variable Green Marketing Strategy and Product Attribute in the regression model can be stated if one independent variable is changed by 1 (one) and the other Constant, the change of Purchase Decision of Green Product is equal to coefficient value ( $b$ ) = 6,105 from value of independent variable.

### 3.2 Discussion

The results of this study shows that Green Marketing Strategy and Product Attribute have a positive and significant effect to the Purchase Decision of Green Products in Manado city. The results of this study fits accordingly to the opinion of Grewal and Levy (2010) that green marketing as strategic efforts that can be done by the company's management to provide eco-goods and services to the target consumers. Another opinion is that Green marketing and green product development have various benefits to firms in terms of increasing the sustainable environmental benefits and to increase the awareness of brand image of the firm (Yan and Yazdanifard, 2014). According to Ankit and Mayur (2013), most marketers use green advertising with pollution free messages to attract consumers' attention; it can enhance their knowledge of the products and ecological issues.

The results of this study show that Green Marketing Strategy has a positive and significant influence on purchasing decision of Green Products. The consumer purchase decision is one of the concepts in purchasing behavior in which the

consumer decides to act or do something in utilizing the product or service. Green Marketing Strategy of the company affects the purchase decision. This is because consumers are more glance at the products offered and the impact of what will be produced by these products, this can be seen from the users of these products on average are consumers who have the knowledge or higher education and suda have their own income.

Attitudes toward behavior is one of the variables that affect directly and indirectly to the interests and buying behavior (Chen, 2009). Buying interest is a psychic activity that arises because of the feelings (affective) and the mind (cognitive) of a desired goods or services. The consumers who are of a low-price sensitive are willing to pay more on the product than the variation of price, also perceive that the value of the eco-friendly product more than the conventional price for a product in the regular terms of price and quality (Eze and Ndubisi, 2013). The results of this study indicate that to improve the purchase decision of green products, through product attributes, the management of the company must innovate for product development, including product differentiation, so that more diversity and product quality are offered to consumers. Customers now regard the product as a collection of attributes that the marketer calls the value pack. Consumer awareness of the products and attributes, followed by consumer awareness of their purchasing behavior that will directly affect the various environmental problems. Consumers adapt to this situation by considering environmental issues when shopping and through their buying behavior.

The evidence supporting this ecological improvement of the environment is the increasingly willing individuals who pay more for eco-friendly products. According to Young et al. (2010), there are 30% of consumers stated that green products must be energy-efficient, aid in water conservation, be safe in regards to the environment during the process of manufacture, use and disposal. The consumers express warmly towards the green products and this will bring a positive effect to the brand equity and increase the probability of purchases in the future (Chen, 2010). Furthermore, the firm can attempt to improve the product design; it can reduce the amount of material that will need to be disposed of and try to determine whether it will be environmentally harmful. In this process, it can also be decided whether it is possible to reduce the material usage in order to enhance recyclability and reusability (Polonsky, 1994). An environmentally friendly product is not only seen from its product

content but also from its packaging and distribution system. Eco-friendly products also need to be supported with product attributes that show their eco-friendly side, such as eco-friendly certificates or ecolabel certificates.

## 4 CONCLUSIONS

The consumer purchase decision is one of the concepts in purchasing behavior in which the consumer decides to act or do something in utilizing the product or service. Green Marketing Strategy and Product Attribute have a positive and significant influence to Purchasing Decision of Green Products. Green Marketing Strategy has positive and significant influence on the Purchase Decision of Green Products. Product attributes have a positive but insignificant effect on the purchasing decision of Green Product. The company's management should improve the marketing strategy of the product by increasing promotion, giving price discount, or customer education activities so that consumers are more aware of the existence, benefits and advantages of green products offered by the company which will be used by consumers. For consumers, Product attributes are not a major consideration in purchasing products so the management of the company should innovate primarily on packaging labels and product benefits, so that consumers can understand better about the product both in terms of quality, composition and assurance of the product.

## ACKNOWLEDGEMENTS

The authors wish to express their gratitude to the management and employees of The Body Shop, Hypermart Supermarket, and Fresh Mart in Manado City as well as respondents who have been willing to answer the questionnaire that has been distributed.

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