Exploring the role of green brand positioning in determining green product purchase intention

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Abstract

In this study, we investigate the relationship between green brand positioning (GBP), attitude toward green brand (AGB) and green brand knowledge (GBK) on green product, specifically in beauty and body care products. It also sought to examine consumer’s purchase intention (PI) of this product using those variables. The methodology which is used to analyse the data obtained is using an exploratory quantitative approach. The data evaluated by Partial Least Square – Structural Equation Model (PLS-SEM). This study used purposive sampling techniques to determine the sample of employees who work in Jakarta, Bogor, Depok, Tangerang, and Bekasi (Jabodetabek), Indonesia. The outcomes indicate that all these factors contribute to purchase intention of this green beauty and body care product. This study is also found that GBP has a positive direct contribution to AGB, GBK, and PI. Originality and practical implications from this study are that, the green product companies must pay attention to the brand positioning because it would alter consumer's attitude and intention towards of green products. Thus, companies should focus more on developing promotional messages that are more directed towards sustainable values or optimizing communities that support sustainability lifestyles. More deeply, eco-friendly beauty and body care products are very widely used today, so the results of this research are expected to contribute in terms of how can customer's intentions are increased in buying these products.

1. Introduction

Currently, the rapid development of economics and technology focuses on improving the welfare and economy of the community because it impacts environmental damage (Chen, Hung, Wang, Huang, & Liao, 2017). According to the Indonesian Central Statistics Agency, population growth, especially the demographic bonus expected to occur in Indonesia in 2020-2035, will also affect consumption patterns and resource needs (Rina, Panca, Ningsih, Sulaiman, & Pujiantuti, 2020; Trisakti, 2020).

The increase in customer’s needs and consumption, such as the need for water, energy, electricity and other domestic markets, will impact the environment (Hutahaean, 2017). The environmental effects that occur due to the high demand are a decrease in environmental power, environmental degradation and increase in the earth’s temperature and loss of biodiversity (Hutahaean, 2017; Mercado, 2022).

Environmental problems and sustainability issues have become a concern for the world as an "emerging megatrend" where current business people have made sustainability issues competitiveness and an effort to survive in the business environment (Chen & Chai, 2010; Huang, Yang, & Wang, 2014).
Consumption of services and products which minimize environmental impact for current and future generations is called by sustainable consumption (Chen, Chang, Li, & Chen, 2020; Chen et al., 2017; Qasim, Liang, Guo, Saeed, & Ashraf, 2019; Tian, Sun, Wang, Su, & Li, 2022). Currently, sustainability is a crucial goal for companies (Grimmer & Bingham, 2013). Nowadays, eco-friendly brands are being interested by consumers along with the increase in consumer’s awareness of eco-friendly brands (Siyal, Ahmed, Almad, Khan, & Xin, 2021). According to Raska and Shaw (2012) with consumer’s attention increasingly directed to the current environment, companies are trying to elaborate intense communication about how their company is managed with activities that support sustainability (Wang, Ma, & Rubing, 2019). It shows that the management of the company based on the principle of sustainability becomes an attraction and competitiveness to reach their consumers (Wang, 2016).

Sustainability includes a broad concept related to environmental, social and economic aspects that can be developed but they are pretty difficult to do. The campaign to reduce plastic and plastic straws is one of the efforts made especially in Indonesia, to support the efforts for environmental damage (Sari et al., 2022; Vriend et al., 2021).

Huang et al. (2014) claimed that consumers can quickly sort out which companies show suitable activities or performance towards the environment through their environmental friendly products. Euromonitor’s survey in 2013 indicated that body care and beauty products could be a category that has the potential to become the environmental friendly product (Euromonitor, 2013). Eco-friendly beauty and body care products are becoming a social challenge nowadays along with the rapid concern for the environmental changes. (Lavuri, Jabbour, Grebingeveych, & Roubaud, 2022). It has also increased the company’s attention to the natural components used in green beauty and body care products (Lavuri et al., 2022).

This study refers to previous research conducted by Huang et al. (2014). The previous study has shown the results of predictor variables including green brand positioning (GBP), attitude towards green brand (AGB) and green brand knowledge (GBK) in directly influencing purchase intention variable (Chin, Sulaiman, Masod, Mularam, & Tat, 2019; Huang et al., 2014) while this study offers a model where GBP is a key variable that can give a direct contribution PI by including AGB and GBK variables as the intermediary variables. Research conducted by Huang et al. (2014) involved green car brands as their research object. In addition, Chiu et al. (2019) use green products in general as the object of their study. Grimmer and Bingham (2013) used mobile phone as an object for their research in green marketing.

Thus, the researcher wanted to know how the influence of these variables on beauty and body care products. Furthermore, research on the purchase intention of sustainable products has been widely carried out in the world, but there are still few studies on purchase intention in Indonesia specifically on beauty and body care products. Furthermore, the population explosion will also impact increasing human needs, including body care and beauty products.

This study’s population is taken from the employees who are domiciled in Jakarta or the Jakarta, Bogor, Depok, Tangerang, and Bekasi (jabodetabek) areas, where respondents are considered to be representatives of the productive age community, which is the most significant contributor to the composition of Indonesia's current population in terms of age. Therefore, this study will explore the relationship of green brand positioning, attitudes toward green brand and green brand knowledge on purchase intention on beauty and body care products.

2. Literature Review

The purchase intention is influenced by many factors, specifically in green brand. These are some of the factors from numerous researches linked to green product purchase intention in this paper.

2.1. Purchase Intention of Green Products (PI)

Numerous factors can influence the intention to buy any product. Behavior intention is a significant indicator in predicting the actual behavior of consumers (Ajzen, 1991; Ni, Lin, Ye, Lin, & Liu, 2022). Currently, behavior intention exists in several forms, such as visit intention, purchase intention and word-of-mouth (Zeithaml, Berry, & Parasuraman, 1996). One behavior intention is purchasing intention which is studied in this research.

Purchase intention of green products is explained as the possibility of consumers’ buying a green brand in order to fulfill their needs (Chen & Chang, 2013; Chen et al., 2020; Fuchs & Diamantopoulos, 2010; Ko & Jin, 2017). Green purchase intention is a crucial metric for gauging customers' current and future preferences for environmental friendly or green products (Zhuang, Luo, & Riaz, 2021).

So, it can help in estimating consumer demand for green products. In this study, PI will be identified by some variables like green brand positioning (GBP), attitude towards green brand (AGB) and green brand knowledge (GBK).

2.2. Green Brand Positioning (GBP)

Hartmann, Ibañez, and Sainz (2005) showed that GBP is an attribute of an eco-friendly brand that is environmental friendly and it has significant benefit for consumers. For the survival of businesses and their
entry in green market, GBP is essential for the brand’s position in consumers’ minds (Chin et al., 2019). Hartmann et al. (2005) also stated that GBP could be interpreted as a quality or value where green products can contribute environmental friendly attributes to consumers. The ability of a company to create products that leave an impression on customers is known as positioning (Kotler, Keller, Ang, Tan, & Leong, 2018). Every green brand must meet consumer expectations in order to gain a good position in the market and consumers in particular to connect the appropriate attributes of the green brand itself (Huang et al., 2014; Rios, Moreno, & Soriano, 2006).

In conveying their value, green brands need factors that can communicate and differentiate their products that emphasize environmental concerns to achieve a position in the minds of consumers (Aulina & Yuliat, 2017). Efforts to communicate environmental concerns aim to attract attention so that consumers can decide which brand can be used more easily.

The environmental concerns of these consumers are positively related to their attitudes towards green brands. Strategy of the green brand can be done through marketing communications by forming positive perceptions in the minds of consumers which will ultimately influence consumer’s behavior (Fuchs & Diamantopoulos, 2010; Mehrj & Qureshi, 2022). It shows that GBP would give a positive contribution to AGB. Better knowledge about green products will result from this positive perceptions through the image and awareness of the brand (Aulina & Yuliat, 2017; Nekmahmud, Naz, Ramkisson, & Fekete-Farkas, 2022). Therefore, we can deduce that GBP give a positive contribution to GBK. With the efforts to be the main in the consumer’s mind, green brand can optimize marketing and advertising efforts to attract more consumers, which means GBP give a positive contribution to PI. Therefore, the following hypotheses can be developed:

- **H1**: GBP contributes directly to AGB.
- **H2**: GBP contributes directly to GBK.
- **H3**: GBP contributes directly to PI.

### 2.3. Attitude toward Green Brand (AGB)

A person’s attitude is the degree to which they value goods and services (Ajzen, 1991; Chen et al., 2022). Previous study showed, attitude is an essential factor in consumption behavior intention (Chen et al., 2022; Dhir, Sadiq, Talwar, Sakashita, & Kaur, 2021; Fishbein, Jaccard, Davidson, Ajzen, & Loken, 1980; Graessley, Horak, Kovacova, Valaskova, & Poliak, 2019).

These previous studies have found that people will buy things if they have a positive attitude (Dhir et al., 2021; Fishbein et al., 1980; Graessley et al., 2019). According to Han, Hsu, and Sheu (2010) a positive attitude boosts a person's consumption behavior intention for particular products. Thi, Nguyen, and Nguyen (2019) discovered that green purchase behavior is positively correlated with consumers' attitudes. Hartmann et al. (2005) said that green brand attitude could be obtained from two categories: green brand positioning derived from functional attributes and green brand positioning originating from emotional attributes.

Furthermore, Solomon, White, Dahl, and Zaichkowsky (2017) stated that consumer’s preferences and green brand complete package were strongly linked to green brand attitude. Mostafa (2007) said that the behavior and intentions of consumers in buying a product are strongly influenced by attitudes. Additionally, he discovered that customers with a strong preference for environmental friendly products were more likely to purchase them (Mostafa, 2007).

Usually, consumers, when making purchasing decisions, will be influenced by family and colleagues in buying green products (Chin et al., 2019). So, it can be obtained that green brand positive image and consumer sense significantly affect consumers to consume and buy green brand products. Furthermore, it shows that consumers’ attitude will affect green product’s purchase intention. Therefore, other hypotheses can be developed:

- **H4**: AGB contributes directly to PI.

### 2.4. Green Brand Knowledge (GBK)

The meaning of green brand knowledge is how the company's brand attributes convey information or knowledge about the uniqueness of its products (Suki, 2016). Building a foundation of belief about a particular issue related to green services and green products can be aided by having knowledge or literacy about green products (Chen et al., 2022; Kim & Stephenkova, 2020). Huang et al. (2014) said that consumers who know environmental protection have higher consumption levels for themselves and their families. Suki (2016) also said that consumers who are more informed (knowledgeable) about the environment and about the environment and earth preservation would prefer to buy green brands or green products. It shows that GBK will affect PI in a positive way, which means the more knowledgeable consumers about the sustainable products, the more they will buy the products. Therefore, the following hypotheses can be developed:

- **H5**: GBK contributes directly to PI.

In summary, the proposed theoretical model is showed by Figure 1.
3. Methodology

3.1. Research Design and Sample

This paper used a deductive approach to make the research model and analyze the results. To test the hypotheses, this paper used exploratory quantitative approach to fully comprehend the relationship between variables (Siyal et al., 2021). Online survey methods are used to collect primary data.

The population of this study is taken from the employees of Jabodetabek Area with the consideration that they are in a productive age who are able to buy eco-friendly products. In addition, this target population could be the target market of eco-friendly products. From this population, 223 samples were taken which were assumed to be representative of the population.

3.2. Questionnaire Development

Questionnaire’s data adopted from several previous studies were used to assess the variables observed in this study, starting with the research objectives. The respondent’s demographic profile comprises age, status, and education level. Confidentiality of respondent data is guaranteed by the author, where respondents are committed to filling out the questionnaire voluntarily.

This research questionnaire was built on previous research which are comprised of 12 question items. GBP construct comprises three items adapted from prior studies (Huang et al., 2014). Meanwhile, attitude toward green brand construct (Wu & Chen, 2014) was assessed for three items, three items for green brand knowledge (Suki, 2016) and the three measurement items for purchase intention (Wu & Chen, 2014). This study used a Likert scale with six points to evaluate the questionnaire items.

3.3. Data Analysis

This data is based on the inverse square root method for partial least squares structural equation modeling (PLS SEM), this study uses a minimum sample with a 5% significance level. Sample criteria is of the employees who work in Jabodetabek area. At the end of July 2021, 223 samples from online surveys through online survey were analyzed and met the minimum sample size requirements. PLS SEM using Smart PLS 3.0 was used to evaluate this research model.

4. Results and Discussion

4.1. Demographic Statistics

Among 223 samples, 82% of respondents are female, dominant in age groups 20-24 years. In addition, 63% of respondents are single, with the last education level being a bachelor's degree. This result showed that the largest market share of beauty and body care product from this study is dominated by women in the age group 20-24 years who are single with a bachelor's level education (see Table 1). From this data, we can suggest company to make a promotion program in this target market.

4.2. Measurement Model

Construct reliability and validity were assessed from the evaluation of the outer model. The factor loading values for all studied variables meet the threshold between 0.563 and 0.938 which can be seen in Table 2 (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014). As a result, each latent variables could be measured with these observed variables because they were reliable. In this study, Cronbach Alpha and composite reliability (CR) values were greater than 0.6 and the values of the average variance extracted (AVE) were all greater than 0.5 indicating that all research indicators and variables in this study were valid and reliable.
Table 1. Sample’s demographic profile.

<table>
<thead>
<tr>
<th>Items</th>
<th>Groups</th>
<th>Frequencies</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>41</td>
<td>18%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>182</td>
<td>82%</td>
</tr>
<tr>
<td>Age (Years)</td>
<td>20-24</td>
<td>100</td>
<td>45%</td>
</tr>
<tr>
<td></td>
<td>25-29</td>
<td>96</td>
<td>43%</td>
</tr>
<tr>
<td></td>
<td>30-34</td>
<td>22</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>35-39</td>
<td>5</td>
<td>2%</td>
</tr>
<tr>
<td>Status</td>
<td>Single</td>
<td>140</td>
<td>63%</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>3</td>
<td>1%</td>
</tr>
<tr>
<td></td>
<td>Divorced</td>
<td>2</td>
<td>1%</td>
</tr>
<tr>
<td></td>
<td>Couple died</td>
<td>78</td>
<td>35%</td>
</tr>
<tr>
<td>Education level</td>
<td>Under high school</td>
<td>2</td>
<td>1%</td>
</tr>
<tr>
<td></td>
<td>High school</td>
<td>76</td>
<td>34%</td>
</tr>
<tr>
<td></td>
<td>Diploma</td>
<td>41</td>
<td>18%</td>
</tr>
<tr>
<td></td>
<td>Bachelor degree</td>
<td>85</td>
<td>38%</td>
</tr>
<tr>
<td></td>
<td>Master degree</td>
<td>19</td>
<td>9%</td>
</tr>
</tbody>
</table>

Table 2. Evaluation of measurement model.

<table>
<thead>
<tr>
<th>Constructs</th>
<th>AVE</th>
<th>Loading factor</th>
<th>Cronbach’s alpha</th>
<th>Composite reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green brand positioning (GBP)</td>
<td>0.502</td>
<td>0.725</td>
<td>0.818</td>
<td>0.750</td>
</tr>
<tr>
<td>GBP1</td>
<td>0.627</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GBP2</td>
<td>0.766</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attitude toward green brand (AGB)</td>
<td>0.532</td>
<td>0.815</td>
<td>0.807</td>
<td>0.772</td>
</tr>
<tr>
<td>AGB1</td>
<td>0.841</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AGB2</td>
<td>0.852</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Green brand knowledge (GBK)</td>
<td>0.569</td>
<td>0.707</td>
<td>0.805</td>
<td>0.798</td>
</tr>
<tr>
<td>GBK1</td>
<td>0.799</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GBK2</td>
<td>0.754</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase intention of green product (PI)</td>
<td></td>
<td>0.572</td>
<td>0.746</td>
<td>0.809</td>
</tr>
<tr>
<td>PI1</td>
<td>0.809</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PI2</td>
<td>0.800</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Next is the discriminant validity assessment by comparing the square root of each AVE construct using cross loading. Table 3 shows that each construct has a better value than the other. It indicated a high level of discriminant validity for all constructs.

Table 3. Discriminant validity (Cross loading criterion).

<table>
<thead>
<tr>
<th>Variables</th>
<th>GBP</th>
<th>AGB</th>
<th>GBK</th>
<th>PI</th>
</tr>
</thead>
<tbody>
<tr>
<td>GBP1</td>
<td>0.725</td>
<td>0.285</td>
<td>0.267</td>
<td>0.319</td>
</tr>
<tr>
<td>GBP2</td>
<td>0.627</td>
<td>0.277</td>
<td>0.190</td>
<td>0.246</td>
</tr>
<tr>
<td>GBP3</td>
<td>0.766</td>
<td>0.374</td>
<td>0.365</td>
<td>0.293</td>
</tr>
<tr>
<td>AGB1</td>
<td>0.386</td>
<td>0.765</td>
<td>0.538</td>
<td>0.352</td>
</tr>
<tr>
<td>AGB2</td>
<td>0.360</td>
<td>0.775</td>
<td>0.577</td>
<td>0.403</td>
</tr>
<tr>
<td>AGB3</td>
<td>0.212</td>
<td>0.641</td>
<td>0.390</td>
<td>0.394</td>
</tr>
<tr>
<td>GBK1</td>
<td>0.312</td>
<td>0.478</td>
<td>0.707</td>
<td>0.364</td>
</tr>
<tr>
<td>GBK2</td>
<td>0.268</td>
<td>0.583</td>
<td>0.799</td>
<td>0.449</td>
</tr>
<tr>
<td>GBK3</td>
<td>0.322</td>
<td>0.510</td>
<td>0.754</td>
<td>0.441</td>
</tr>
<tr>
<td>PI1</td>
<td>0.335</td>
<td>0.448</td>
<td>0.459</td>
<td>0.746</td>
</tr>
<tr>
<td>PI2</td>
<td>0.337</td>
<td>0.394</td>
<td>0.430</td>
<td>0.782</td>
</tr>
<tr>
<td>PI3</td>
<td>0.228</td>
<td>0.327</td>
<td>0.358</td>
<td>0.741</td>
</tr>
</tbody>
</table>

To assess the proposed hypothesis, the inner model test was conducted. As showed in Table 4, all of the hypotheses were accepted. In this study, the Q2 predictive relevance result is 0.574 in this model (goodness of fit), which is good enough to predict the intention to buy a green product, precisely beauty & body care products.
This study found that GBP has a positive direct contribution on AGB. This finding is consistent with Huang et al. (2014). In addition, this study also found that GBP has a positive direct contribution on GBK, which is consistent with research from Huang et al. (2014); Aulina and Yuliati (2017) and Zhou, Zheng, Lin, and Zhou (2021). So then, a GBP has a significant positive effect on the PI. It is consistent with the results of research conducted by Chin et al. (2019) and Suki (2016) which state that consumers' intention to purchase green products can be influenced by one of the company’s important strategies, namely GBP. If consumers care and are aware of buying eco-friendly products, it shows a good green brand positioning Wang, Zaman, and Alvi (2022). Therefore, a strategy to obtain a suitable positioning needs to be carried out by a green brand because green products have unique characteristics that not all consumers know and want to buy. Consequentially to become the main choice in the consumers’ mind, marketers must emphasize quality, price, promotion and attention to the environment to be able to compete tailored to consumer's needs and desires.

The fourth hypothesis of the research above aimed to investigate the relationship between attitude toward green brands and purchase intentions of green products. The results showed a significant positive effect of attitude towards green brands on purchase intentions of green products. It is consistent with previous research Suki (2016); Huang et al. (2014) and Mehrjai and Qureshi (2022). However, this contradicts the research conducted by Chin et al. (2019). This paper indicates that the more positive customer's attitudes toward green brands will make their purchase intentions more higher. Suki (2016) also mentions that the purchase of green products shows that consumers feel they have a sense of responsibility towards the environment. Attitudes towards environmental friendly brands and awareness of the environment are important because they can affect the intention to buy these products (Costa, Da Costa, Maciel, Aguiar, & Wanderley, 2021). This study shows that attitude towards green brands is crucial in shaping consumer intentions to purchase eco-friendly products specifically in beauty and body care products.

Furthermore, green brand knowledge has positive direct contribution to the purchase intention of green products. It supports previous study conducted by Suki (2016) and Zhou et al. (2021) which shows that the more consumers understand about eco-friendly products or brands, the more they will buy the product. It could happen because the extensive information provided by an eco-friendly brand or product will make it simple for customers to comprehend the product and increase their likelihood to purchase.

5. Conclusion

Nowadays, consumers become concern with environmental and they become more curious about product and services which they use. The preference for using environmental friendly products is one of the impacts which increase consumer’s awareness of the environment (Siyal et al., 2021).

The findings in this study provide management implications for green buying behaviour and eco-friendly brands positioning. The results show that green brand positioning has a positive direct contribution to all variables such as GBK, AGB and PI. It shows that the positioning of a brand, especially green products, is essential because it will affect consumer attitudes and knowledge about buying green products. Therefore, companies can develop strategies and marketing communications to create a good positioning to generate high purchase intentions. Moreover, green products require extra effort in marketing because eco-friendly products tend to be more specific and cost more than similar products. Furthermore, companies can concentrate more on promotional messages that are more on information and social value of green brands in order to be able to get positive responses from customers. Companies can also empower communities that support sustainable lifestyles, climate actions and other social cause to attract the customers so, they can buy of eco-friendly product.

This study also has research limitations on theoretical implications. Based on the assessment of predictive relevance, it has a value that is far from one, so this research model still needs further development in usage of more complete variables so that research has novelty in the academic field. In addition, in order to comprehend the actual variables that influence the intention to purchase green products, a qualitative approach is required to confirm the findings.

References


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