

THE EFFECT OF GREEN MARKETING MIX ON PURCHASE DECISION AND CUSTOMER SATISFACTION

(Study on Independent Consultant of JAFRA Cosmetics Indonesia in Malang)

Agnes Viani Parlan
Andriani Kusumawati
M. Kholid Mawardi
Faculty of Administrative Science
Brawijaya University
Malang
Email: acnezzserum@gmail.com

ABSTRAK

Tujuan dari penelitian ini adalah untuk menguji pengaruh bauran pemasaran hijau pada keputusan pembelian konsumen; untuk menguji pengaruh bauran pemasaran hijau pada kepuasan pelanggan; dan untuk menguji pengaruh keputusan pembelian konsumen pada kepuasan pelanggan. Penelitian ini menggunakan penelitian eksplanatori dengan pendekatan kuantitatif. Variabel-variabel yang digunakan bauran pemasaran hijau, keputusan pembelian dan kepuasan pelanggan. Pengumpulan data dikumpulkan dengan menyebarkan kuesioner pada 118 Konsultan Independen JAFRA di Malang. Teknik pengambilan sampel menggunakan purposive sampling. Teknik analisis adalah analisis path. Hasil dari analisis path analysis menunjukkan bahwa Bauran pemasaran hijau mempunyai efek signifikan pada keputusan pembelian; Bauran pemasaran hijau memiliki efek signifikan pada kepuasan pelanggan; Keputusan pembelian memiliki efek signifikan pada kepuasan pelanggan. Karena itu, manajemen JAFRA Indonesia harus mempertahankan dan meningkatkan indikator bauran pemasaran hijau melalui memastikan semua produk yang ada menggunakan kandungan-kandungan yang alami dan sedikit kandungan kimia, terutama dari kandungan kimia berbahaya. Kedua, mengkampanyekan produk hijau melalui media sosial sebagai standar dan gaya hidup yang sehat. Ketiga, menggunakan bahan yang mudah terurai untuk semua kemasan produk. Keempat, meningkatkan proses teknologi untuk mempertahankan kandungan alami dan kualitas produk yang tinggi. Kelima, menambah atribut produk secara berkesinambungan. Maka keputusan pembelian dan kepuasan konsumen akan meningkat.

Kata kunci: *Bauran Pemasaran Hijau, Keputusan Pembelian, Kepuasan Pelanggan*

ABSTRACT

The purposes are to examine the effect of green marketing mix on purchase decision; to examine the effect of green marketing mix on customer satisfaction; and to examine the effect of purchase decision on customer satisfaction. This research used explanatory research with the quantitative approach. The variables are green marketing mix, purchase decision and customer satisfaction. The collection of data obtained from distributing questionnaires to 118 JAFRA Independent Consultant in Malang. The sampling technique use purposive sampling. The analysis technique is path analysis. The path analysis result showed that Green marketing mix has significant effect on purchase decision; Green marketing mix has significant effect on customer satisfaction; Purchase decision has significant effect on customer satisfaction. Therefore, management of JAFRA Indonesia should be maintained and improved the indicators of green marketing mix through ensures all the products that exist is using natural ingredients and less chemical, especially from dangerous chemical. Campaign the green products through social media as the standart and lifestyle of healthy life. Using degradable materials for all the packaging. Improve the technology process to keep maintaining natural contain and the high quality of product. Add the product's feature significantly. Thus, the purchase decision and customer satisfaction will increase.

Keywords: *Green Marketing Mix, Purchase Decision, Customer Satisfaction*

INTRODUCTION

Global warming is the recent issue in the last decade, it is caused by the industrial processes, technology development, and transportation pollution. The impact is strongly felt in various parts of the world, such as the melting of ice in the Arctic that can cause a variety of natural disasters for humans as sea levels rising, flora and fauna on Earth are threatened with extinction, and climate change. The knowledge and technology produce a higher useful concept for safeguarding the environment from the negative effects of global warming.

One of the concepts that are generated is go green or green program, it is related to eco-friendly, that means not environmentally harmful. The concept gave birth to green marketing as a refinement of the go green concepts. Green marketing refers to ecological products, Phosphate Free, Recyclable, Refillable Ozone friendly, and eco-friendly (Sivesan et al, 2013).

One of the field that use green product concept is skincare. Skincare and cosmetics are the important tools for women to support their activities and their performance. Skincare and cosmetics are the most dynamic product in Indonesia. This is because of increasing number of new products of skincare and cosmetics in 2016. Data from BPOM (*Badan Pengawas Obat dan Makanan*) 2016 showed there are 14004 new products from domestic and foreign brands of cosmetics in 2016. However, increasing number of new products do not mean automatically provide safe products for consumer.

Indonesia consumer should be aware about the safety of products of skincare and cosmetic that is launched by BPOM. Not all items that have been approved by BPOM confirmed safe. Because sometimes there are products that are out of control by BPOM. When checked periodically and abruptly by BPOM turned out to contain a mixture of hazardous material.

JAFRA Cosmetics International last entry in Indonesia in 2013, but had stood for 59 years in the USA. JAFRA offers a concept of herbal and natural products that is combined with technological advances in the processing of products, environmentally friendly and without testing on animals and contains no animal or placenta and blood in the product. JAFRA principle priority natural ingredients and the results are safer than any other product that is not clear content and safety. JAFRA had the license from BPOM in 2012.

JAFRA was entered in Indonesia in 2012, but totally launched in 2013. During the year the company was busy taking care of the documents to

enter the Indonesian market. Including Indonesia BPOM documents which will prove that JAFRA products do not contain harmful ingredients.

JAFRA brings the concept of direct selling, then the promotion is done mostly through social media and word of mouth. Promotion emphasizes the use of natural ingredients and herbs and contains no hazardous materials. JAFRA has no shop, stockist or branch offices such as The Body Shop, etc, it is rarely a campaign or a massive billboard.

JAFRA performs research and development at its headquarters in Westlake Village, California, and formulates and tests its products with laboratories in the United States, Switzerland, France, Italy and Germany. In February 2010, the company opened the doors to its new \$30 million manufacturing plant in Queretaro, Mexico. The state-of-the-art facility houses JAFRA's processing and packaging functions, laboratories and office space. This 23-acre site increased the company's manufacturing space by 50 percent, Kroos explains, and provides it with room for future expansion. The new facility will enable the continued growth. All of the technology is very advanced and reflects the ecological responsibilities. JAFRA use their new technology to protect the environment and be efficient in the operations.

JAFRA used green marketing mix strategy to attract consumers awareness and ensure that the products are safety to use and not give the negative impact for environment. After the consumers aware, of course they will make the decision to choose the product that use green marketing concept. Thus, that is very important for marketer to make the consumers to make purchase decision. Finally, the behavior of consumers also changing because of the trend of green marketing. The green marketing mix strategy become not only popular, but also give the green lifestyle for the customers.

People nowadays are increasingly aware of the use of herbal products that are increasing because knowing the dangers of products that use excessive chemicals, thus they will look for alternative products that are herbal and safety to use. Companies are required to be able to make consumers to choose and buy products and make customers satisfied with the products and services provided.

Based on the introduction, the formulation of the problem statement in this study are:

1. Do the variables of green marketing mix affect consumer's purchase decision?
2. Do the variables of green marketing mix affect customer satisfaction?

3. Do the variables of consumer's purchase decision affect customer satisfaction?

LITERATURE REVIEW

Green Marketing Mix

According to Mathi (2013:110) green marketing is the activities of marketing includes product modification with eco-friendly and natural ingredients as raw materials, production process is changing, packaging is changing, less emission promotion of distribution and usage changes to minimize detrimental impact on the natural environment. Fuller (1999) in Rakhsha (2011:755) defining green marketing as:

"The process of planning, implementing and controlling development, pricing, promotion and distribution of products in a manner that satisfies the following three criteria: (1) customer needs are met, (2) organizational goals are attained and (3) the process is compatible with eco-systems".

Thus, same with traditional marketing mix, green marketing mix has four dimension, they are green product, green price, green place, and green promotion (distribution). The functions related the same, only the concepts are different. The concepts of green marketing mix are more environmental.

Green marketing mix refers to organization's efforts at product designing, pricing, promoting, and product distribution that won't harm the environment, because green marketing as known as environmental and sustainable marketing (Pride and Ferrell 1993 in Hosseinzadeh and Azizpour 2013:115). Types of green marketing mix:

1. Green product

Green product is using recycle and/or renewable materials for product packaging (Sivesan, et al 2013), harmless to humans and the environment, not wasteful of resources, and no animal testing (Junaedi, 2005 in Shaputra, 2013). Green product itself should have quality products that are durable in the sense of not perishable, non-toxic, made from materials that can be recycled and have a minimalist packaging. Green product quality should be higher and different from the regular product.

2. Green price

Pricing is the key to reach the competitive advantage. Usually green product presents the premium price to the market. According to Al-Bakry 2007 in Hashem and Al-Rifai 2011, the definition of green price:

"Green price refers to the price specified in the light of company's policies with regard to environmental consideration imposed by rules and

company instructions or its initiatives in this regard."

3. Green promotion

The area of green promotion such as public relations, advertising, and environmental posters (Hello and Al-Momani, 2014). Green promotion will more communicate about the environmental friendly issues related to the green product. Green promotion refers to the communication used in promotion is to create the environmental friendly and responsibility business corporate as the image in consumer perception. The successful key for communication in green promotion is credibility

4. Green place

Distribution system is the strengthening links between company and consumers. In the green marketing distribution system as called as green place is the distribution gates that facilitating the delivery and to secure procedures conducting within environmental conditions and requirements (Al-Bakry, 2007 in Hashem and Al-Rifai, 2011). Green place also reduce the transportation system for example reducing pollution and energy consumption. If the company distribute the products accross geographical boundaries, it makes sensitive environmental issue. The company must minimize the environmental impact of the logistic operations (Singh and Pandey, 2012:26).

Purchase Decision

Purchase decision is one part of consumer behavior. In this proposal, talk about green marketing, so it also talk about green consumer behavior. According to Bakri and Al-Nouri (2007), green consumer behavior as "a set of behaviors that drive the individual towards a preference for the product with environmental characteristics from the other, stemming from combination of variables, particularly the ideas and opinions held by those individuals that are motivated towards that behavior".

Consumer's purchase decision also affected by situational influence. According to Hawkins et al (1996:27), there are three types of purchase situation. First, the communication situation is the situation where the consumers receive the information that impact to their behavior to make purchase decision. Second, the purchase situation is the situation where the consumers select the product. Third, usage situation is the situation where the consumer choose to purchase product that is very needed or useful product.

Customer Satisfaction

After purchase, it can determine if the consumers satisfy or no. In the evaluation stage, consumer satisfaction is the important element. Satisfaction refers to the quality or state of buying situation of the consumers and the products can meet needs or desires of the consumers. Customer satisfaction is a function of the closeness between customer's satisfaction and the product performance.

The factors of employees also can affect customer satisfaction. For example useful, friendly, polite, knowledgeable employees, accurate and clear bills, quick service and competitive price (Hawkins, 1995). Thus, service from employees also can measure and create customer satisfaction.

Hypothesis

Singarimbun and Effendi (2006:43) said hypothesis is the important part or every research and must be included in. It is because hypothesis is the work instrument from theories.

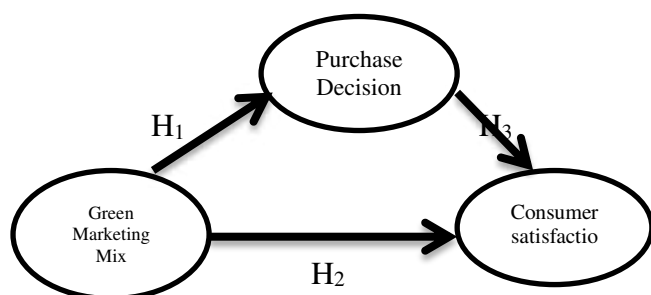


Figure 1: Hypothesis Model

Explanation

- H₁. Green marketing mix effect to purchase decision
- H₂. Green marketing mix effect to customer satisfaction
- H₃. Purchase decision effect to customer satisfaction

RESEARCH METHOD

In this research used explanatory research and used quantitative research. In this research used Likert Scale as the measurement. Location of this research was Malang, East Java. The collection of data obtained from distributing questionnaires to 118 JAFRA Independent Consultants. It got from formula samples using the formula of Machin and Champbell because the population number is unknown. This research is using purposive sampling as non probability sampling. Sample criteria in this research are:

- a. The officially of JAFRA Independent Consultant who is not just a seller but also a

consumer who of JAFRA's products. It is because one of the variable used in this research is purchase decision and consumer satisfaction.

- b. The officially of JAFRA Independent Consultant that have joined for at least three months. It is because for three months the consultant possibility of doing personal purchasing.

RESULT AND DISCUSSION

Descriptive Analysis

JAFRA Independent Consultants came from different educational background and majority of them had high educational background. The dominant gender was female and the highest occupation was as housewife. The highest respondents were 30 – 33 years old with the number 32 people. The length of time become consultant had the high frequency was become consultant for one up to four months. The length of time consultant become customers had the high frequency was become customers for four up to eight months. The benefits of become JAFRA Independent Consultant had the highest number was the benefit is natural and safety products.

Path Analysis

The results of path analysis can be seen in Table 1.

Table 1. Result of Path Analysis

Exogenous Variable	Intervening Variable	Beta Coefficients	t _{test}	P _{value}	Description
Green Marketing Mix (X)	Purchase Decision (Y ₁)	0.725	11.353	0.000	Significant
Exogenous Variable	Endogenous Variable	Beta Coefficients	t _{test}	P _{value}	Description
Green marketing mix (X)	Customer Satisfaction (Y ₂)	0.619	7.026	0.000	Significant
Intervening Variable	Endogenous Variable	Beta Coefficients	t _{test}	P _{value}	Description
Purchase Decision (Y ₁)	Customer Satisfaction (Y ₂)	0.180	2.039	0.044	Significant

H₁ = There is effect of Green Marketing Mix on Purchase Decision

The beta coefficient 0.725, it indicated that Green Marketing Mix has significant effect on purchase decision by t_{test} with the number 11.353 and the probability with the number of 0.000 (p<0.05). The decision is rejected H₀. It means hypothesis, there is effect of green marketing mix on purchase decision is accepted.

H₂ = There is effect of Green Marketing Mix on Customer Satisfaction

The beta coefficient 0.619, it indicated that Green Marketing Mix has significant effect on customer satisfaction by t_{test} with the number 7.026 and the probability with the number of 0.000 ($p < 0.05$). The decision is rejected H_0 . It means hypothesis, there is effect of green marketing mix on customer satisfaction is accepted.

H₃ = There is effect of Purchase Decision on Customer Satisfaction

The beta coefficient 0.180, it indicates that purchase decision has significant effect on customer satisfaction by t_{test} with the number 2.039 and the probability with the number of 0.044 ($p < 0.05$). The decision is rejected H_0 . It means hypothesis, there is effect of purchase decision on customer satisfaction is accepted.

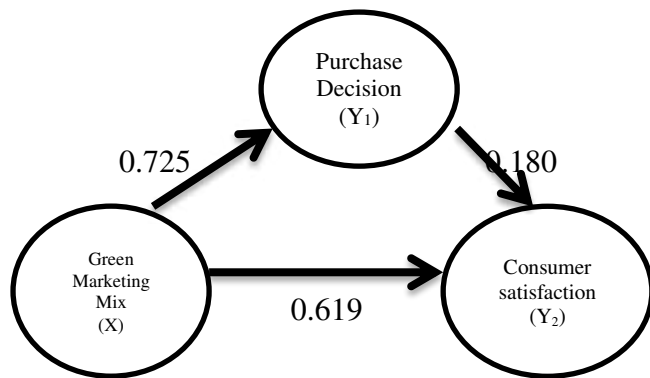


Figure 2: Path Analysis Result Diagram

Based on the results described previously, it can be concluded that the direct effect between variables have a greater influence than the indirect effect with the percentage of 61.9%. It means that with the strategy of green marketing mix that provides the best products, especially it is contain natural and safety ingredients, regarding to green products usually it also safe for the environment. Thus, the customers feel satisfied with the product. This is because most of the customers feel satisfied because of the high quality of products offered and the functions and results in accordance with customers expectation. It can be concluded that the product of JAFRA can be as one of the natural skincare products, safe to use both men and women who are aware of the health and beauty of the skin because of the natural products offered. Based on the results obtained most of the customers were satisfied after purchasing JAFRA products and mostly buy after seeing the testimonials from customers who have been using the product.

$$\begin{aligned}
 R^2 &= 1 - (1 - R_1^2) (1 - R_2^2) \\
 &= 1 - (1 - 0.526) (1 - 0.577) \\
 &= 1 - (0.474) (0.423) \\
 &= 1 - 0.200502 \\
 &= 0.799498 \\
 &= 79.95\%
 \end{aligned}$$

The results of the calculation of provisions model accounted 79.95%. It explained that the contribution of the structural model to describe the relationship of the three variables studied amounted to 79.95%. While the remaining 20.05% is explained by other variables that were not included in this research model.

Discussion

1. The Effect of Green Marketing Mix on Purchase Decision

The result of path analysis of the positive effect of green marketing mix on purchase decision variable showed with the number of path coefficient 0.725 and this result showed the significant probability with the number of probability 0.000 ($p < 0,05$). The results of this research support the previous research that carried out by Uydaci (2002:113) in Boztepe (2012:10) that conducted the survey on US green consumer. The result of Uydaci’s research in Boztepe (2012) is green product avoid ingredients of chemical and hazardous contents will become the one factor of influencing the customer purchase decision. Uydaci’s research that similiar with this research such as green price, green product and green promotion that effect to purchase decision. The comparison between Uydaci’s research and this research results is in Uydaci’s research in Boztepe (2012) examined about green awareness variable and in this research examined about green marketing mix, purchase decision and customer satisfaction variable.

The results support to Ansar’s research (2013:655), the result of Ansar’s research that similiar with this research such as green price, green product (ecological packaging) and environmental advertisement (green promotion) that have significant effect to green purchase decision. The comparison between Ansar’s research and this research results is in Ansar examined about socio-demographic variables and in this research examined about green marketing mix variables including green product, green place, green price and green promotion. Ansar’s research was running on the residents of Karachi, Pakistan.

2. The Effect of Green Marketing Mix on Customer Satisfaction

The result of path analysis of the positive effect of green marketing mix on purchase decision variable showed with the number of path coefficient 0.619 and this result showed the significant probability with the number of probability 0.000 ($p < 0,05$). It means the hypothesis there is effect of green marketing mix on customer satisfaction is accepted. The results of this research support the previous research that carried out by Rakhsha and Majidazar (2011:761) that green marketing mix effected to the satisfaction level of the customer, thus make the customer satisfy. The similar result concluded that green marketing mix has a significant effect on customer satisfaction. The comparison between Rakhsha and Majidazar's research and this research is in Rakhsha and Majidazar's research examined about consumer and customer satisfaction effect on their loyalty but in this research only examined the customer satisfaction variable. The research of Rakhsha and Majidazar conducted on consumer and customer of The East Azarbaijan Pegah Dairy Company in Tabriz, Iran.

The results obtain from this research correspond to the researches done by Hosseinzadeh and Azizpour (2013) that reported the green product and green promotion effected on customer loyalty. Which is mean, the customer feel satisfied and then become loyal. The good green marketing mix, such as green product, green place, green promotion, and green place is the way to give customer satisfaction (Hosseinzadeh and Azizpour, 2013:114). Thus, all the aspects of green marketing mix have the relation one and another to make customer satisfy. The comparison is, in Hosseinzadeh and Azizpour's research examined only for green product and green promotion, but in this research examined for green marketing mix variables including green price, green product, green promotion and green place. The research of Hosseinzadeh and Azizpour conducted on customer of Naqshe Jahan Sugar Company. Based on Hawkins (1995) in Majidazar and Rakhsha (2011:756), there are many factors that can effect customer satisfaction, such as competitive green price and product's performance.

3. The Effect of Purchase Decision on Customer Satisfaction

The result of path analysis of the positive effect of purchase decision on customer satisfaction variable showed with the number of path coefficient 0.180 and this result showed the significant probability with the number of probability 0.044

($p < 0,05$). It means the hypothesis there is effect of purchase decision on customer satisfaction is accepted. The factors of making purchase decision above will determine after the customer will satisfy or not in the end, because they have bought.

Many of JAFRA Independent Consultant sell the products through online website or social media. Information about the product, quality, and little knowledge about green product can give the positive effect of customer satisfaction after making purchase decision. Thus, it is very important to input it in website or social media of the JAFRA Independent Consultant or when the consultant meet face to face to the customer. It is accordance to Jie and Cheng (2012:19) that prove that information quality shows a significant positive effect on satisfaction.

CONCLUSION AND RECOMMENDATION

Conclusion

1. Green marketing mix has significant effect on purchase decision.
2. Green marketing mix has significant effect on customer satisfaction.
3. Purchase decision mix has significant effect on customer satisfaction.

Recommendation

1. Management of JAFRA Indonesia should be maintained and improved the indicators of green marketing mix that has significant effect on purchase decision. Strategies that can be used by JAFRA Indonesia to increase the green marketing mix that has significant effect on purchase decision as follows; first, ensures all the products that exist is using natural ingredients and less chemical, especially from the dangerous chemical. Second, campaign the green products through social media as the standart and lifestyle of healthy life, thus JAFRA Indonesia known as the green products. Third, using the degradable materials for all the products packaging.
2. Management of JAFRA Indonesia should be maintained and improved the indicators of green marketing mix that has significant effect on customer satisfaction. JAFRA Indonesia should be increased green marketing mix that has significant effect on customer satisfaction as follows; first, to improve the technology process to keep maintaining natural contain and the high quality of product. Second, add the product's feature significantly. Thus, customer will be satisfied if there are additional new feature of the product.

3. JAFRA Indonesia can work together with the community of nature and animals lovers as a sign that the JAFRA Indonesia favor of green marketing mix as the standard and strategy that used.
4. For the future research, it recommend to involve new variables beyond variables in this research to examine. For instance about corporate image and brand image.

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