

The Effect Of Green Marketing Strategy On Purchasing Decisions: A Review Of Previous Research

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Abstract: Global warming becomes an important issue around the world as it is caused by the industrial process, technological development, and pollution. The effects found in various parts of the world are ice melting in the North Pole in which it causes various natural disasters as the rise of sea levels, the extinction of flora and fauna on Earth, and climate change. Knowledge and technology create the deeper concepts that are useful for protecting the environment from the negative effects of global warming. One of the concepts was go green, related to eco-friendly environment, it means that it is not harmful to the environment. That concept perfected the go green itself. The concept of eco-friendly marketing has been developed. Several perspectives from this concept were studied and used by the researchers to conduct a research. Eco-friendly marketing is able to encourage the others to make purchasing decision. This research was intended to explore the concept of green marketing, especially in the decision making process.

Index Terms: Green Marketing, Purchasing Decisions, Marketing Mix

1. INTRODUCTION

Climate change and global warming issues are no longer spread by the scientists or problems which even distracts the world leaders. This phenomenon has grown and developed; thus, it can be said that the earth as a place for humans and other creatures to live on is under serious threat. Various natural phenomena tend to experience some recent anomalies such as an intense extreme heat occurred in several places, high-intensity of rainfall, flood in some areas, tornado and landslide, and tsunami. The presence of new viruses such as bird flu (avian influenza), swine flu, mad cow and others are the proofs to show that the earth has been highly contaminated. In relation to this situation, the awareness and realization of having healthy environment has changed the entrepreneur's perspectives and lifestyle to create and maintain balance and control the natural situation. The shift of business approach (production and marketing) obviously shows this kind of attitude. Entrepreneurs tend to conduct business activities based on the nature and health preservation such as eco-friendly products and organic products. Green marketing refers to a modification on marketing whose function is as potential and strategic opportunity as it has dual effects on business people and society as the users. Green marketing approach to products is assumed to strengthen the control over the environmental issues; this approach also stimulates the aspects of company activities such as strategy formulation, planning, designing, production and distribution to consumers.

the buyers' responses (Kotler & Armstrong, 2009). 4P green marketing refers to conventional marketing; but, the challenge that might occur before the marketers and producers is practicing 4P through creative way. Statistical analysis showed that the elements of green marketing mix and consumer's purchasing decision were positively related to each other (Mahmoud, 2018). Green Marketing is a concept that has been developed by practitioners and academics, especially in the field of marketing. Actually this concept was developed in the 1990s in which the practitioners and academics wanted to make revolution in the field of marketing (Peattie and Crane, 2005). Green Marketing is a concept emphasizing more on the environmental aspects in Indonesia through the implementation of business activities. Tactics for influencing consumers' behavior in green products were by designing products to strengthen the green behavior, making green behavior simple, product prices and product options for incentives for green behavior, and providing information about green or eco-friendly products (Kane, 2011). To make green marketing successful and attract consumers, companies must create novel of green products, fashionable and take the lead by adopting innovative things during green marketing (Lao, 2014). In addition, companies implementing green marketing strategies to satisfy customers, needed to divide green markets into different segments to formulate green positioning and strategies of green marketing mix (Chen & Chang, 2012). In recent years, green marketing had been researched in various fields. Wolok (2019) stated that green marketing was one of the marketing tools that companies could use to improve consumer purchasing decisions. Hossain and Khan, (2018) stated that consumer purchasing decisions were strongly influenced by marketing mix such as green products and green promotion activities. Supporting that research, Chayomchai and Charastrakul (2019) stated that producers and distributors of green products must focus on 4 key factors for designing business strategies and marketing mix to influence consumer purchasing decisions. Marketers need to focus on the attributes of eco-friendly products and prices as well as information on consumer benefits. In addition, it needs to focus on promoting both product attributes and marketing activities. In addition to the studies above, Manongko and Kambey (2018) stated that the different results of green marketing did not provide significant value to the decision to

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marketing mix is defined as a set of variables that can be managed and practiced by the company so that it influences

buy organic products for customers or buyers. This meant that the value of eco-friendly marketing was not a measure for customers or buyers to decide on a product. Whereas Parlan, Kusumawati, and Mawardi (2016) showed that the green marketing mix had a significant effect on purchasing decisions; the green marketing mix had a significant effect on customer satisfaction; purchasing decisions had a significant effect on customer satisfaction. Yusiono and Widodo (2016) showed that perceived value influenced purchasing decisions on products. It can be seen from the calculation that the effect of green marketing and the shared value on purchasing decisions had a higher impact than the direct effect of green marketing on purchasing decisions. Based on the background above, the authors were interested in reviewing the effect of green marketing on purchasing decisions based on the previous researches.

2. THEORITICAL BASIS

2.1 Green Marketing

The American Marketing Association in Yaz and Ifard (2011: 637) defined green marketing as marketing of eco-friendly products, combining several activities such as product modification, changes in production processes, packaging, advertising strategies and also raising awareness on marketing compliance between industries. Green marketing is an idea in marketing management that is oriented towards managing eco-friendly marketing. Green marketing was considered as an innovation that arose as more and more environmental damage occurred due to the company's production activities so it was important for companies to have responsibility for environmental sustainability. In the 1990s, the green marketing agenda began to develop as a new topic related to individual consumer motivation related to effectiveness, cooperative behavior and strategic alliances where green marketing was a broadly encompassing marketing program on environmental-based marketing which included company policies, practices and marketing procedures that were explicitly focus on eco-friendliness with the aim of generating income and providing exchanges or transactions that satisfy organizational and individual goals (Rajeev, 2016: 2).

Dimensions of Green Marketing In order to offer target consumers quality products at the right time and place, at the right price, four parts of the 4P marketing tools were needed in innovative ways (Singh, 2010: 4):

1) The first component: Green Product

Entrepreneurs who wanted to use the concept of green marketing came up in several ways:

- A. Identify the customer's environmental needs and develop products to address those needs.
- B. Develop environmental products that are responsible for having a lower impact from competitors on the environment.

2) The second component: Green Price

Price is an important element of the marketing mix. Most customers are ready to pay more if there is a perception of the value of additional products. This value can improve performance, function, design, visual appeal or taste. Environmental benefits are usually an added bonus but will

often be a determining factor between products with value and quality between products and competitors' products. Prices for green products mostly require extra costs incurred by consumers as a form of products that have more quality and eco-friendly. Even so, green marketing products must be able to provide satisfaction that has a significant effect on product purchasing decisions (Rahnat; 2015).

3) The third component: Green Place

The options of where and when should make the product available, has a significant effect on the client to be interested. Only a few customers are interested in buying green products. The location must be appropriate with the wanted image by the company. The company's location must differentiate the company from its competitors. This can be done by promoting in store and displaying attractive visual or using recycled materials to emphasize the environmental benefits and others.

4) The fourth component: Green Promotion

Promotes the products and services to the target market including advertising, public relations, sales promotion, direct marketing and on site promotion. Smart green marketers strengthen the environmental credibility using sustainable marketing and communication tools as well as practices. The key success of green marketing is credibility.

2.2 Marketing Mix Strategy

In the company's goal achievement, there needs a good strategic plan. Marketing strategy is a set of marketing strategy and technique covering (1) product-market strategy or competition strategy which categorized into market segmentation, target market determination, and position determination, (2) marketing tactic covers differentiation and marketing mix strategy which relates to the activities in planning the mix marketing and the component of marketing value that can be categorized into brand, service, and process. Marketing Mix, according to Kottler and Armstring (2007), is a set of marketing variables that can be controlled and combined by the company to produce the desired responses in the marketing target. Marketing mix consists of everything that can be done by the company to influence demand toward their product. The activities mentioned in the definition is the decision in four variables namely product, price, distribution, and promotion.

2.3 Purchasing Decisions

According to Schiffman & Kanuk in Rofiq et.al (2012:3) state that purchasing decision is a decision as selection of an action from two or more alternative choices.

1. Problem Recognition

Purchase process starts when the buyer recognize the problem or needs. The needs triggered by internal or external stimuli. The vendor needs to identify the circumstances that stimulate a certain needs. By collecting information from the consumers, the vendors are able to identify the stimuli that most often generate interest on a category that can trigger the consumers' interest.
2. Information Searching

The consumers whose needs are triggered will be more encouraged to find information. We can divide it into two levels of trigger. The situation of information searching that is more simple is called as attention reinforcement. In that level, people only a bit more aware to the information

of the product. In the next level, people may come into information searching actively: to find reading material, calling friends, and visit store to learn a certain product.

3. Alternative Evaluation

There are some evaluation processes of decision and the current models views that the consumers evaluation process as a cognitive-oriented process, which is the model assumes that the consumers judge the product consciously and rationally. Some basic concepts will help us to understand the consumers' evaluation process: First, the consumers try to fulfill the needs. Second, the consumers view each product as a set of attribute with the different ability in giving benefit used to fulfill the needs. The consumers have different attitude toward the attributes which seems to be relevant and important. They will pay their biggest attention to the attribute that benefits them.

4. Purchasing Decision

In the evaluation phase, consumers form preferences over brands that are in a collection of choices. The consumers also build a motive to buy the most favored brand. There are two factors influenced the decision making of the consumers that are, first, others attitude. It is how far other people's attitude reduce the someone favored alternative depends on two intensity of other people's negative attitude toward the consumers favored alternative and the consumers motivation to fulfill others' wish. The more negative attitude exposed by other people, the closer the people to the consumers; the consumers will be likely to change his or her motive to purchase. The second factor is factor of unanticipated situation which emerges and changes purchase motive, like the expected price and the advantages.

5. Post-purchase behavior

After purchasing a product, consumers will experience a certain level of satisfaction or dissatisfaction. The satisfaction or dissatisfaction towards a product will influence consumers' behavior afterwards. If the consumers are satisfied, they will show higher possibility to re-purchase the product.

DISCUSSION

The Influence of Green Marketing on the Purchasing Decisions Green marketing is a strategy of product marketing that is consistent out of all activities which design services and facilities to satisfy human needs and wants, which has no effect for the natural environment, while purchasing decisions mentioned in this research is stages in the process of decision making. Consumer purchasing decisions were very influenced by marketing mix such as green product and green promotion product. So, marketers must maintain the promotion campaign to improve the green product knowledge. Marketers must also develop more display, sample, commercialization and distribution for green information availability (Hossain and Khan, 2018). Chayomachai and Charastrakul (2019) stated 4 main factors of consumer's purchasing decisions in purchasing green product including (1) Price and information benefits, (2) Product promotion, (3) Marketing promotion and (4) Product attribute. Manufactures and distributors of green product must focus on 4 key factors to design a business strategy and marketing mix to influence consumer's purchasing decisions. Marketers needed to focus on the attribute of eco-friendly product and price as well as information on consumer benefits.

Besides, they needed to focus on the second promotion of product attribute and marketing activities. A marketing strategy was an asset which must invest more in market ventures to increase perception, trust and purchase of products. Manongko and Kambey (2018) said that Green Marketing had a significant influence on the consumers or buyers interests to consume a product. This means that the higher the green marketing value, the higher the interest to purchase a product. Green marketing did not give a significant value on the decisions to purchase organic products for buyers or consumers. This means that the value of eco-friendly marketing was not a measure for the consumers or buyers to decide a product. While, Parlan, Kusumawati and Mawardi (2016) showed that green marketing mix had a significant effect on the purchasing decisions; Green marketing mix had a significant effect on the consumer satisfaction; Purchasing decisions had a significant effect on the consumer satisfaction. Yusiono and Widodo (2016) revealed that the perception value was able to influence the purchasing decisions of a product. It can be seen in the calculation that the influence of green marketing and the perceived value together on the purchasing decisions had a higher impact than direct influence of green marketing on purchasing decisions. Sanidewi and Paramita (2018) stated that applying green marketing in the company was essential. Green marketing provided value added for products whose brands were different from others. Understanding the consumer needs and wants was important in the marketing application. Green marketing was able to be delivered effectively without advertisement, which was able to cause misperception of the consumers. Hello and Moman (2014) said that more efforts from various levels (individual, organization, government) were needed to increase the awareness of concept and meaning of eco-friendly marketing up to a certain level of culture in society. This was able to reach through campaign guidance and program education. There must be more specific study and depth understanding about consistent characteristic of a product with eco-friendly marketing. Besides, there was a requirement to add environmental subject and the importance in academic curriculum in different level of education so that we had a greater percentage of eco-friendly consumers. Wolok (2019) explained that consumer purchasing decisions was often motivated by consumer behavior itself, where the decisions were often influenced by internal and external factors of the consumer, such as knowledge, experience, economy, up to social status of the consumer, which influenced the perception of the company to get more carefully in releasing the product, that the impact was increasing the competition among companies. Based on the results of this research, it revealed that Green Marketing was one of marketing tools of the company which was used by the company to increase the consumer purchasing decisions by segmenting their consumers or people who emotionally cared about their environment as well as people with a healthy-life style. Yusuf, Nasrul and Yusuf (2019) stated that a good eco-friendly marketing was able to make consumers increasingly wanted to decide to purchase the eco-friendly product. A company was able to reach a wider society by creating a social media content. A company must find ways to attract or urge consumers to purchase.

6. CONCLUSION

Many companies used environmental issue as a way to attract public interest. One of which was through the application of green marketing as a marketing strategy which was claimed as the eco-friendly marketing. Green marketing was the idea in marketing management applied based on environmental issues. According to the previous studied which stated that marketing mix was proven to have a positive correlation with consumer purchasing decisions through green marketing. Green marketing was a strategy of product marketing that was consistent out of all activities which designed services and facilities to satisfy human needs and wants, which had no effect for the natural environment, while purchasing decisions mentioned in this research was stages in the process of decision making. Consumer purchasing decisions were very influenced by marketing mix such as green product and green promotion product. So, marketers must maintain the promotion campaign to improve the green product knowledge. Yusiono and Widodo (2016) revealed that the perception value was able to influence the purchasing decisions of a product. It can be seen in the calculation that the influence of green marketing and the perceived value together on the purchasing decisions had a higher impact than direct influence of green marketing on purchasing decisions. In accordance with the results of the research, manufactures and distributors of green product must focus on 4 key factors to design a business strategy and marketing mix to influence the consumer purchasing decisions. Marketers needed to focus on the attribute of eco-friendly product and price as well as information on consumer benefits. Based on the results of the research, it revealed that Green Marketing was one of marketing tools of the company which was used by the company to increase the consumer purchasing decisions by segmenting their consumers or people who emotionally cared about their environment as well as people with a healthy-life style

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