

Green Marketing Influence: Examining Its Impact On Purchase Decision In Sustainable Halal Cosmetics

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Abstract

Research aim: This study aims to determine the influence of Green Marketing on purchasing literature through brand awareness as a mediator.

Design/Method/Approach: This research used quantitative methods and took a sample of 121 respondents in Semarang who used Wardah halal cosmetics. Data management using SEM. Help. 4.0. The data obtained comes from primary data. The data collection technique using questionnaire distribution is a data collection method that is carried out by giving a collection of questions or written statements to respondents.

Research Finding: The result of this study is that based on the composite reliability value of each variable, it is proven that all research variable indicators have a composite reliability value greater than (0.7). And this research that the hypothesis can be accepted and there is a relationship between variables, especially in (Product Green Marketing → Brand Awareness), (Product Green Marketing → Purchase Decision), (Price Green Marketing → Purchase Decision) and (Brand Awareness → Purchase Decision). So, halal cosmetics have a significant effect on the product, price and purchasing decision

Keywords: Green marketing; Brand Awareness; purchase decision; Halal cosmetics.

1. INTRODUCTION

In the era of globalization, marketing management must pay attention to the global environment because market globalization and competition require all managers to pay attention to the global environment and recognize new opportunities to excel in globalization competition (Lestari, 2019). The company strives to meet customers growing needs for environmentally friendly products by using appropriate materials. Public awareness of the importance of consuming environmentally friendly products is increasing along with concern for environmental sustainability. This is reflected in efforts to protect the environment, such as independent waste sorting, reducing the use of hazardous chemicals, and using environmentally friendly materials. Environmental problems have now become a topic of conversation around the world, and many parties are trying to minimize the damage caused to the environment. This is a step towards perfection and shows that environmental awareness is also

increasing (Fitria, 2022). Many manufacturers in the economic sector are starting to innovate by developing environmentally friendly products because more and more people are aware of the importance of maintaining environmental conditions. It is also viewed by many manufacturers as a business opportunity. Therefore, many companies today not only focus on business operations, but also pay attention to environmental sustainability in business methods and marketing strategies. And strive to reach agreements between companies and the environment, including in the selection of environmentally friendly raw materials and marketing strategies that support environmental goodwill. With the increasing awareness of the public and economic actors on environmental sustainability, the term "green marketing" also accompanies this growth.

The term "green marketing" emerged as a response of marketers to pay attention to environmental impact. The application of the green marketing concept has many benefits, not only for the company but also provides added value because it carries the green concept (Santoso, Fitriani, R 2016). However, implementing eco-friendly marketing is very difficult because some markets are not environmentally oriented. The concept of green marketing arises because it focuses on environmental damage problems which are then used by business people as one of their marketing strategies. (Rahmawati, M). Green Marketing, as defined by the American Marketing Association (AMA), refers to the development and promotion of products that are considered environmentally safe. This includes modifying products, changing production processes, changing packaging, and even adjusting advertising methods. According to Ottman (2020), green marketing is the consistency of all activities in designing services and facilities to satisfy human needs and desires without causing extreme negative impacts on the environment. Eco-marketing refers to the development and promotion of products that are considered safe for the environment, designed to minimize the negative impact on the physical environment or to improve its quality. The term can also describe efforts to manufacture, promote, package, and reclaim products in a way that is sensitive or responsive to ecological issues.

By applying the concept of green marketing, business people can achieve more than just producing environmentally friendly products. Companies can start meeting strong market demand for environmentally friendly products by improving corporate image, and creating and segmenting new markets (Widodo, 2020). With the rise of green marketing in this era, manufacturers are competing to use green marketing strategies on their products to increase interest in environmentally friendly products. In the beauty industry, for example, some manufacturers change their marketing strategies to use environmentally friendly strategies.

Some industries are now starting to switch to the concept of green marketing, for example by producing products from natural raw materials, and environmentally friendly production processes using recyclable packaging. But the most prominent industry in terms of eco-friendly marketing is the cosmetics industry, as this industry continues to increase. Beauty product lovers in Indonesia were initially only interested in decorative cosmetics (makeup), but are now starting to realize that skin care is also important. This causes the popularity of skin care products to increase (Ghaizani, 2018).

Eco-friendly marketing strategies are becoming increasingly important for halal cosmetic brands in Indonesia as more and more consumers are environmentally conscious and prefer products that are socially and environmentally ethical. A study on the application of green marketing to halal cosmetic brands in Indonesia found that cosmetic manufacturers are required to be more competitive by applying green marketing values. The study also investigates how halal cosmetic brands implement eco-friendly marketing based on the concept of eco-friendly marketing strategies and Islamic Marketing Ethics (IME). Halal cosmetic brands in Indonesia need to focus on incorporating eco-friendly marketing practices into their product offerings and marketing strategies to meet the increasing demand for eco-friendly and socially responsible products among consumers. The Institute for the Assessment of Food, Drugs, and Cosmetics of the Indonesian Ulema Council (LPPOM MUI) is responsible for testing halal cosmetics in Indonesia. Halal certification for cosmetics indicates that the product meets halal standards set by religious authorities. This gives confidence to Muslim consumers that the product is in accordance with the principles of halal in Islam. With the halal label, manufacturers can also reach a wider market, including Muslim consumers who pay attention to the halal products they use. It can improve the competitiveness of products in the global market.

Eco-marketing is an important aspect of Wardah's brand identity and product offerings. The brand emphasizes the use of safe and halal raw materials in its products, for the comfort and safety of the women who use them. A study on the impact of green marketing and brand ambassadors in Wardah's product purchase decisions for consumers highlights the importance of these factors in consumer behavior. In addition, Wardah's skincare products are part of the Leather Innovation line, which focuses on providing the best skincare solutions while offering benefits such as loyalty rewards, free shipping, and personalized product recommendations to enhance the overall customer experience. This demonstrates Wardah's commitment to implementing environmentally friendly marketing practices and providing value to its customers through its range of products and loyalty programs.

TOP BRAND INDEKS

Loose Powder				
Nomor	Merk	2021	2022	2023
1	Wardah	20.30%	20.50%	19.30%
2	Marcks	20.60%	18.10%	17.70%
3	Make Over	8.10%	11.60%	11.20%
4	Viva	5.50%	4.70%	5.20%
5	Pixy	5.00%	-	4.20%

Compact Powder				
Nomor	Merk	2021	2022	2023
1	Wardah	26.70%	24.70%	23.60%
2	Pixy	10.80%	11.40%	8.10%
3	Make Over	7.80%	10.20%	11.30%
4	Maybeline	7.40%	6.80%	7.80%
5	Caring	6.70%	4.30%	5.70%

Source : Top Brand Awards (www.topbrand-award.com). 2023

1.1.Statement of problem

Based on the data above, Wardah experienced a decline in sales due to increasingly fierce market competition. Increased market competition can result in a decrease in the company's market share and sales. This can be caused by various factors, such as the emergence of similar products from competitors, changes in consumer trends, or less effective marketing strategies. Thus, Wardah's declining sales can be caused by increasingly fierce market competition, which requires companies to continuously innovate and improve their marketing strategies.

1.2.Research Objective

The purpose of this study is to analyze:

H1 = Product of Green Marketing positively affect on brand awareness

H2 = Price of Green Marketing positively affect on brand awareness

H3 = Product of Green Marketing positively affect on Purchase decision through brand awareness

H4 = Price of Green Marketing positively affect on Purchase decision through brand awareness

H5 = Brand Awareness positively affect on purchasing decisions

2. METHOD

This study used quantitative research methods. (Sugiyono, 2012) states that quantitative methods can be interpreted as research methods based on the philosophy of positivism, used to study certain populations or samples, and data collection to test hypotheses. In this study, the population was residents of Semarang with the sample used 121 respondents who used halal wardah cosmetic products. Data processing by using SEM PLS 4.0.

3. RESULTS AND DISCUSSION

A. Product (green marketing)

Products are all forms that can be offered to consumers to meet their wants and needs (Hermawan, 2015). Wardah is a well-known Indonesian beauty cosmetics brand that offers a wide range of products, including skincare and makeup. The brand emphasizes the use of safe and halal raw materials in its products, for the comfort and safety of the women who use them.

B. Price (green marketing)

Price is one of the main attributes valued by consumers, so business managers must understand their role. Price is an attribute that is interpreted as a concept of diversity, where prices have different meanings for each consumer depending on consumer behavior, situation, and product (Mowen and Mindor, 2002). The price of Wardah products is designed to be affordable so that it can be reached by many consumers. The brand's commitment in providing quality products at affordable prices has also contributed to its popularity among Indonesian women.

C. Brand awareness

Brand awareness is the ability of consumers to recognize and remember the brand or brand of a product. Brand awareness is one dimension of brand knowledge and is an important consideration in consumer behavior, advertising management, and brand management. Brand awareness is important because consumers should be aware of the product categories and brands within those categories before deciding to buy. In the business world, brand awareness becomes part of marketing methods especially for companies that produce the same products or services as other companies. There are several ways to increase brand awareness, such as

optimizing the use of social media and websites, sharing quality content, implementing SEO, working with sponsors, and organizing event marketing.

D. Purchase Decision

The decision-making process is a process that consumers go through before deciding to buy a product or service. The decision-making process is influenced by internal factors within the consumer and external factors of the consumer environment. The consumer decision-making process can be divided into several stages, including need recognition, awareness, search, decision-making, and evaluation.

Figure 1. Research Model

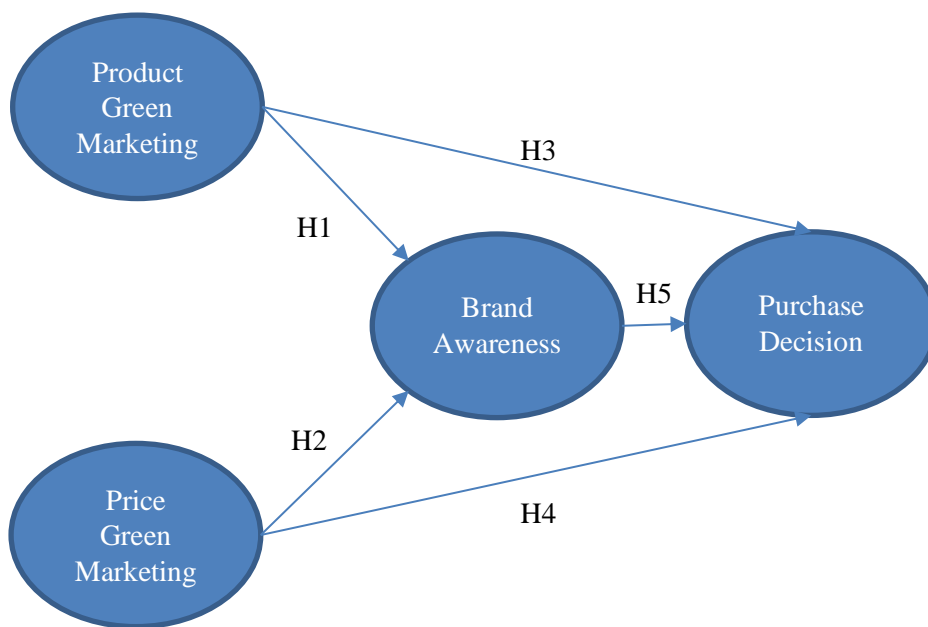


Table 1 : Validity Test Results

Variabel	Nilai AVE	Ket.
Product (GM)	0.678	Valid
Price (GM)	0.655	Valid
Brand Awareness	0.647	Valid
Purchase Decision	0.699	Valid

Source : Author own Calculation based on SEM PLS 4.0

Based on the table above, showing all data over 0.5 states that all variables are valid.

Cronbach's alpha and composite reliability values can be used to test reliability on PLS-SEM analysis. According to Ghazali (2021: 71), the Cronbach alpha value of an indicator can be said to be reliable if it reaches a value greater than (0.7). And whether a composite reliability indicator is considered reliable if it meets a value greater than (0.7). An overview of each of Cronbach's alpha variables is given in the table below:

Table 2: Reliability Test Results

Variabel	Composite Reliability	Ket.
Product (GM)	0.937	Reliabel
Price (GM)	0.917	Reliabel
Brand Awareness	0.935	Reliabel
Purchase Decision	0.955	Reliabel

Source : Author own Calculation based on SEM PLS 4.0

From the table above based on the composite reliability value of each variable, it is evident that all indicators of the research variable have a composite reliability value greater than (0.7). To make the data meet the standard requirements for reliable testing.

Uji Path Coefficient

The path coefficient or path coefficient test is a test used to show the strength of influence between exogenous and endogenous variables. The path coefficient test is seen from the P-Value value which

must be smaller than (0.05) which shows that the research hypothesis is accepted and has an impact between variables that have been tested.

Table 3: Path Coefficient Test Results (direct influence test)

Hipotesis	Path Coefficient	p-value
H1. Product > Brand Awareness	0,712	0,000
H2. Price > Brand Awareness	0,070	0,563
H3. Product > Purchase Decision	0,624	0,000
H4. Price > Purchase Decision	0,523	0,004
H5. Brand Awareness > Purchase Decision	0,412	0,058

Source : Author own Calculation based on SEM PLS 4.0

The P value seen in the table above shows that most of them have values smaller than (0.05), this shows that this research hypothesis is accepted and there is a relationship between variables, especially in (Product → Brand Awareness), (Product → Purchase Decision), (Price → Purchase Decision) and (Brand Awareness → Purchase Decision). However, there is an assumption that cannot be accepted and there is no influence between variables, namely (Price → Brand Awareness) which has a greater P Value influence (0.05).

Table 4 : Path Coefficient Test Results (indirect influence test)

Hipotesis	Path Coefficient	p-value
Product > Brand Awareness > Purchase Decision	0.097	0.037
Price > Brand Awareness > Purchase Decision	0.075	0.046

Source : Author own Calculation based on SEM PLS 4.0

In the table presented, P value data shows all results with a P value of less than (0.05), namely (Product > Brand Awareness > Purchase Decision) and (Price > Brand Awareness > Purchase Decision) which means that the hypothesis is acceptable and the relationship has a significant effect.

CONCLUSION

Based on the results of the discussion and data analysis, it can be concluded that environmentally friendly marketing strategies are becoming increasingly important for halal cosmetic brands in Indonesia because more and more consumers are environmentally conscious and prefer products that are ethical, social and environmental. Purchasing decisions are influenced by internal factors from within the consumer and external factors derived from the environment around the consumer. And based on the composite reliability value of each variable, it is proven that all indicators of the research variable have a composite reliability value greater than (0.7). And this research that the hypothesis can be accepted and there is a relationship between variables, especially in (Product → Brand Awareness), (Product → Purchase Decision), (Price → Purchase Decision) and (Brand Awareness → Purchase Decision). So, the product, price and purchasing decision of halal cosmetics have a significant effect.

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