

The Application of Awareness and Acceptability from the 4A's of Marketing in The Potential Buyer of Green Product

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Abstract

The presence of green marketing is now considered important because of green marketing see how marketing activities utilize limited resources, but still be able to satisfy consumer desires and can meet organizational goals which is sales activity. As an international cosmetics company became a pioneer of green marketing, The Body Shop has always been committed in protecting the environment. However, the presence of green marketing does not make Indonesian people to participate in maintaining the environment for the common interest. The purpose of this study is to see how risk perception has an important role for the potential buyer in the form of purchase intention. Risk perception is associated with two of 4A's variable includes awareness and acceptability. Other variable also being used in this study is trust. The research sample of this study is the prospect buyer of The Body Shop in Surabaya, Indonesia. The number of respondents is 384 people. The data collected will be processed using SEM (Structural Equation Modeling). After performing data processing, it is known that the variables used have been tested successfully CFA (related with validity and reliability) and checking the goodness of fit. The results of structural model found that risk perception is good foundation to potential buyer of green product.

Keywords: Awareness, Acceptability, 4A's, Green Product

1. Introduction

In the recent years, different associations and bodies around the world called for preserving the environment to make it a safe place to live for us and for the future generations (Al-Salaymeh, 2012). Nowadays, human consciousnesses about environment have a dramatic shift in the entire world (Barber, 2010). The increasing number of people marks this consciousness aware that environmental problems are complex and important issues to be resolved. Consciousness arises as a result of climate change and makes people of the entire world become more worry.

In response of the increasingly concern, make people think to change marketing atmosphere. Therefore the concept of green marketing is introduced because of its benefits for environment and people. Green marketing has its own objectives through the "use of the environmental benefits of a product or service to promote sales" (Gopal, 2012). In essence, the simple idea of green marketing is selling products based on environmental benefits (Murphy et al., 2010)

The presence of green marketing is supported by the emergence of the so-called Green Consumerism (Pettit and Sheppard, 1992). Emerging Green Consumerism originated from the customer awareness of the right to get decent, safe, and environmentally friendly products (environment friendly) that is getting stronger. The desired product is often better known as green products. Shamdasami et al. (1993) in Noor et al. (2012) defines green products as a product that will not pollute the earth or not wasting natural resources and can be recycled or conserved.

2. Problem and Question of the Study

The problem that often occurs is among that many people who have been aware and concern about the environment, there are still many people who do not translate their awareness and concern to the real action to make it happen. This fact was also confirmed by the opinion of Picket and Ozaki (2008) which states that conscious environment people not always behave environmentally. For example, people might dispose when a lot of people around him also do so (Ohtomo and Hirose, 2007). Results of a survey conducted by Cone (2011) in Tucker et al. (2012) also stated that a gap between the customer concern for environmental issues and their buying behavior is a interesting topic. Because of that, a number of researches have been conducted on the purchase intention and the factors affecting purchase intention, most of these researches are in the consideration of developed countries (Khan, Ghauri, and Majeed, 2012). This problem might occur because many people still have worriedness about the green product itself, such as: is green product especially cosmetic really having more benefit than other cosmetic product? This worriedness will have effect to purchase intention of potential buyer. Hence, company need to find a way to decrease this risk perception to make potential buyer have purchase intention.

3. The Importance of the Study

At this time, many beauty products on the market not based environmental and healthy. Because of this fact,

people have worriedness about beauty products are sold in the market. Green marketing is a chance for people to change point of view in using products that implement environmental and health. In the beauty area, there is a cosmetic company that concern with environment and natural beauty. This company name is The Body Shop, this company become pioneer in the Green Marketing that has been successful in the International community as well as in Indonesia.

Worriedness makes this great potential buyer have no interest to buy skin care products that are environmentally friendly. Therefore, the company will need to bring awareness to potential buyers to information related to beauty product that they offer. When company can make potential buyer's awareness with the information high, risk perception will be decrease. Potential buyers that have low risk perception will affect trust that cosmetic really have more benefit that the other cosmetic (Chen and Chang, 2012). Beside that, low risk perception will make potential buyer eager to know more about the function of cosmetic that The Body Shop offer. Cosmetic product is a sensitive product because this product's function is support beauty and every people have different problem about his or her beauty. Hence, acceptability from The Body Shop also important to make potential buyer has purchase intention. This study only focuses at awareness and acceptability from 4A's because many study already find that people nowadays willing to pay more for green product, this willingness include affordability and accessibility (Laroche, Bergeron, and Barbaro-Forleo, 2001).

This study aims to identify the impact of green marketing on the performance of the productive companies through:

1. Addition awareness of potential buyer
2. Reduction of risk perception
3. Addition trust of potential buyer
4. Addition acceptability of potential buyer
5. Make potential consumer have purchase intention

4. Literature Reviews

Green marketing has its own objectives which is "use of the environmental benefits of a product or service to promote sales" (Gopal, 2012). In essence, the simple idea of green marketing is selling products based on environmental benefits (Murphy et al., 2013). The important thing of green marketing is that although humans are confronted on all situations changing and the limited resources of the world, people should still be able to fulfill all desires which are unlimited.

Sheth and Sisodia (2012) explain that awareness is the extent to which customers are informed regarding a product's characteristics and are persuaded to try it. Before the customer can buy a product, they have to know the product. Customers are not enough to just be aware of the existence of the product, but also instinctively must be connected to the company's offerings. This awareness may occur related to the knowledge possessed by the customer through the education that being provided by the company.

Peter and Ryan (1976), Stone and Gronhaug (1993), also Aaker (1996) stated risk perception is a combination of negative consequence and uncertainty, the assessment of perceived risk would affect customer purchase decision. Therefore, the risk perception has three important aspects, which shows who is at risk, what the danger is, and when it happens.

Trust is defined as customer's belief that reliability and integrity of the product and the seller (Moorman et al., 1993). When potential customers have confidence with the company, means that the prospect buyer will trust the seller of the product or service can be relied upon to behave in such a way that the long-term interests of customers can be served (Crosby et al., 1990).

Sheth and Sisodia (2012) defines acceptability as the extent to which the firm's total product offering meets and exceeds the needs and expectations of customers in the target market. Acceptability itself consists of two dimensions, there are functional acceptability and psychological acceptability. Ability to receive high is related to the benefits to be obtained by prospective customers through the function of the product and the brand image of the company.

Purchase intention can be defined as the degree of possibility of potential customers to buy certain brands for themselves after a certain evaluation (Khan et al., 2012). Halim and Hameed (2005) describes the customer's purchase intention as the possibility of potential customers who have plans to buy a product in the future, making the purchase of repetition, and call again related products.

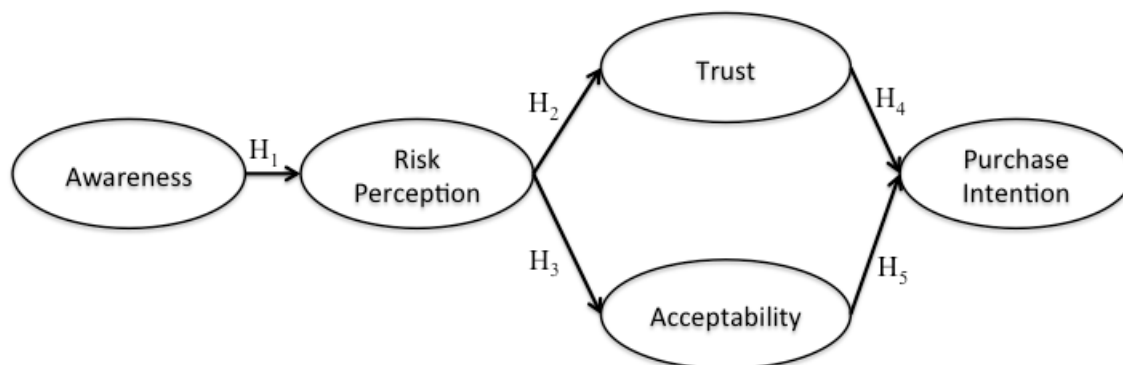
5. Hypotheses

This study has five hypotheses like in the following:

- There is a significant relationship between awareness and risk perception
- There is a significant relationship between risk perception and trust
- There is a significant relationship between risk perception and acceptability
- There is a significant relationship between acceptability and purchase intention

- There is a significant relationship between trust and purchase intention

6. Model of the Study



7. Method and Procedures

7.1. Study Tool

For the purpose of conducting this study, a questionnaire was designed to study the views of the potential buyer about green product that The Body Shop offer. Accordingly, the necessary modifications and improvements were conducted to come out with the questionnaire in its final form consisting of (28) items that are distributed to the following (5) areas:- Awareness, consisting of (5) items.- Risk perception, consisting of (8) items.- Trust, consisting of (6) items.- Acceptability, consisting of (5) items, and - purchase intention, consisting of (4) items.

7.2. Statistical Treatments

This study will be use SEM (Structural Equation Modeling), which is divided by two steps, first is measurement model and the second is structural model fit.

7.3. The Stability Of The Study Tool

To verify the stability of the study tool, a Confirmatory Factor Analysis will be applied on all the items of the study tool where the value of validity using probability, which is below 0.05, is accepted and reliability using CR value, which is value between 0-1, is accepted.

7.4. The Study Population

The population of this study is potential buyers of The Body Shop in Surabaya, Indonesia that have two criteria:

1. Never buy The Body Shop product
2. Know information about label and product The Body Shop from pamphlet, come to the store, or other media.

7.5. The Study Sample

Because of this study population is infinite, so the researcher use formula from Lemeshow (1980) to determine sum of respondent for this study.

$$n = \frac{(Z_{0,025})^2 \hat{p} \hat{q}}{d^2}$$

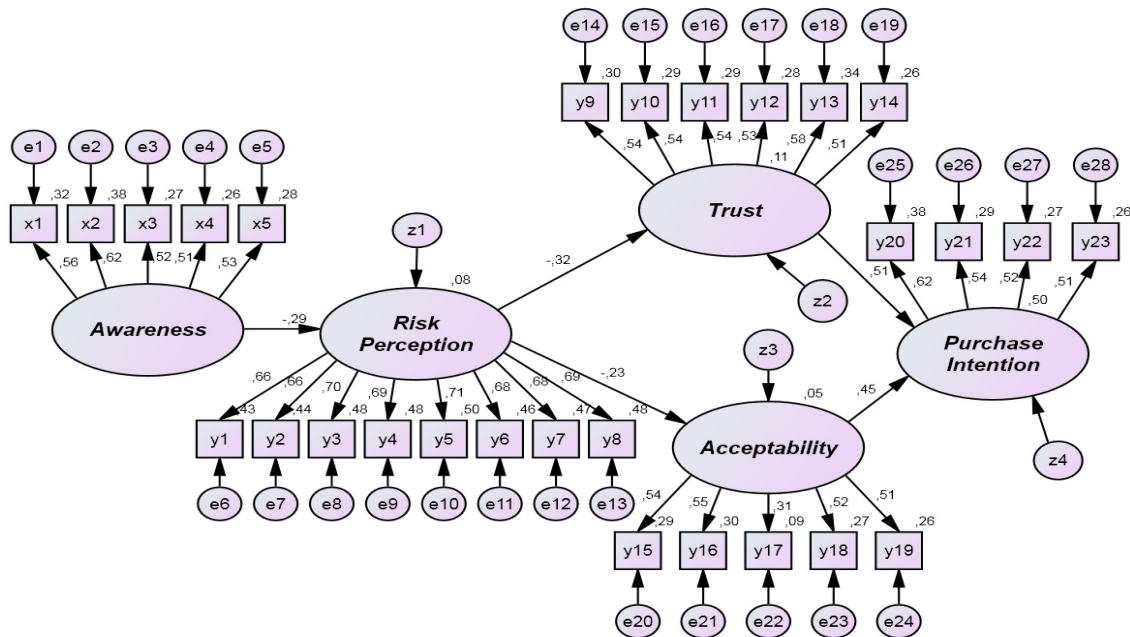
Where: n is the sample size to be calculated. Z is the area calculated under the value (1-2/α) and equals (1.96), p equals 0.5, q equals 0.5 (1-0.5), d is error rate which equals (0.05).

$$n = \frac{(1,96)^2 \cdot 0,5 \cdot (1 - 0,5)}{(0,05)^2}$$

n = 384 respondents

After applying the above equation, the value of the sample representative of the community for the purposes of applying the research was (384) respondents.

8. Result and Discussion



From the output of SEM (Statistical Equation Modeling), the results show that this study has fulfilled the research objectives. All hypotheses from this study are accepted. This shows that people nowadays need more information about the product that company offer and prefer product that give attention to environment especially cosmetic products which is very sensitive for beauty itself. With good information, risk perception of people will decrease because they feel cosmetic product that The Body Shop offer really safe for them and environment as well. All this time, many cosmetic product not give their consumer good information. Even though they give information, it is only about the product, nothing else. The Body Shop always emphasize that their product is made from natural ingredients, protect the earth, and against animal testing. With this repeated information will make people have knowledge about brands and products the body shop as a whole. As a result, their risk perception will become decrease because they know that The Body Shop always consistent with their campaign all this time. When their risk perception becomes low, they will have trust to The Body Shop. Brenkert (1998) state that trust have three degrees, they are basic trust, guarded trust, and extended trust. When people want to do transaction, they must have basic trust first, which this trust is happen when people feel safe with what they will do. Instead, with lot bad news around cosmetic product make people can't trust new cosmetic product easily. Because of that, low risk perception will make people have trust to product of The Body Shop. After people have trust with the product of The Body Shop, they will eager to buy The Body Shop product and try it by their self to feel product's benefit for their beauty.

			C.R.	P	Std. Estimate
Risk_Perception	<---	Awareness	-3,961	***	-0,289
Trust	<---	Risk_Perception	-4,573	***	-0,325
Acceptability	<---	Risk_Perception	-3,199	0,001	-0,234
Purchase_Intention	<---	Trust	5,514	***	0,512
Purchase_Intention	<---	Acceptability	4,311	***	0,447

Beside trust, low risk perception will have effect to acceptability. This acceptability refers to how people can accept the function of product, the image of The Body Shop, and packaging of the product. For the function, everyone has his beauty problem, such as: dimple, whitening, sensitive skin, etc. When people already have low risk perception to the product of The Body Shop, they also need to know if The Body Shop offer product that can solved their problem. If The Body Shop hasn't the product that they need, they can't accept product that The Body Shop offer. Sheth and Sisodia (2012) state that people will have intention to buy if they can accept the product that The Body Shop. Because of that, The Body Shop needs to fulfill what people want to increase their beauty with offer lot of kind product that can solve people's problem.

9. Conclusion

In this era, people need to get lot information before they make decision, especially product that has high risk like cosmetic products. This happen because many cosmetic products contain chemical ingredients that not well for skin and physical health in Indonesia. Because of this, people become worried about cosmetic product that being offered. The Body Shop that realized about this fact always gives lot information about their brand and product. With lot information that The Body Shop give can make people more aware about that product itself. This awareness can make worriedness of people decrease. When people not feel worry about product of The Body Shop, they will trust their product because they feel The Body Shop always consistent with their campaign all this time. Not only trust, low risk perception will affect how people accept that product. Before people have intention to purchase, people also need to look for kind of product that can solve their problem. With high trust and acceptability, people will have intention to purchase green product that The Body Shop offer.

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