

Conference Paper

The Impact of Green Marketing Mix on Brand Image of Unilever Indonesia

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Abstract.

Today, this environmental issue encourages companies to start looking for a marketing idea that prioritizes marketing campaigns to care for the environment, known as green marketing. The company strives to build an image in the minds of its customers by emphasizing the concept of environmental sustainability. This study aims to understand whether the green marketing mix affects the brand image of Unilever Indonesia. This research applied quantitative research with a survey method. The research proposes a conceptual model consisting of the following variables: green product, green price, green place, green promotion, and brand image. The results show that all independent variables partially affect the brand image variable. The most influential variables are green products and green prices. The target population for this study was Unilever's customers, using a sampling technique in the form of purposeful sampling, with 160 respondents. The results of this study show that each independent variable affects the dependent variable brand image. Based on the findings, this study provides theoretical and managerial implications for companies building a positive and strong brand image.

Keywords: green marketing, brand image, marketing strategy

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Published 18 July 2023

Publishing services provided by Knowledge E

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Selection and Peer-review under the responsibility of the TSBEC Conference Committee.

1. Introduction

In today's increasingly fierce business competition, businesses are striving to build a strong and positive image in the minds of their customers. A green marketing mix is a concept of using a primary marketing mix. Since the late 1980s, the concept of green marketing has been used as a strategic effort to build businesses based on environmental and health concerns in the early 1990s [1]. As an important marketing construct, the green marketing mix has four elements, namely green promotion, green place, green promotion, and green product.

According to the American Marketing Association (AMA), green marketing is the development of the concept of marketing products that are safe for the environment. The goal of green marketing is to minimize environmental impact at every stage of the life cycle, including raw material procurement, manufacturing, distribution, consumption,

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and disposal [2]. In order to implement green marketing, every enterprise needs to integrate frequent and continuous green marketing concepts into a series of marketing activities of the enterprise.

Unilever Indonesia is an organization with a mission or commitment to maintaining sustainable living, that is, a life that is more environmentally friendly and provides positive benefits to the surrounding community. However, in its journey, Unilever is considered as one of the companies listed in top-rank companies that contribute to global pollution such as plastic waste and waste disposal from year to year according to the break free from plastic brand report in 2020. Unilever's corporate image is undeniably the world's largest contributor to plastic waste. This is contrary to Unilever's mission or commitment to maintain a sustainable life that pays more attention to environmental friendliness and provides positive benefits to the surrounding community. With the implementation of Unilever's shift from the traditional marketing concept to the green marketing concept, it will be able to change the image that this company remains responsible for the waste it produces and participates in protecting the environment with various projects held by the company.

2. Hypothesis Development

2.1. Green marketing and brand image

As the fields of science, business and trade developed, a concept emerged which was an extension of marketing theory. The concept of green marketing arises because there are changes that generally lead to adverse impacts on the natural and social environment. Green marketing as a concept that encompasses all marketing activities developed by companies to continue to maintain the environmentally friendly attitudes and behaviors of their customers [3].

Green marketing is not only a theory and strategy, but an effort to develop a mindset of green character for policy makers, economic actors and society [4]. Hashem and Al-Rifai [5] defines green marketing as an evolution of traditional marketing in this era that arises because public awareness of greener products is growing. Green marketing is very important to help companies effectively communicate to consumers, and also, for consumers to be more aware of the alternatives available and act on their increasing demands to consume goods and services that help them lead more sustainable lifestyles [6]. Many companies have implemented green marketing policies that have a positive impact on their image, especially the brands they offer to consumers.

Brand image is the impression of a brand in the minds of consumers [7]. Brand image is considered a major and important element in demonstrating how consumers feel about a brand [8]. Brand image is formed in the minds of consumers through the likes, strengths, and uniqueness of brand associations [9]. Rendtorff [10] said that a good brand image can show three important components, namely: the best possible character to provide a value proposition, a unique character, and emotional appeal. Hedge and Mishra [11] did research that aims to find out how the application of green marketing mix and brand image at The Body Shop and also the size of the influence of the concept green marketing mix on brand image. Results of the research showed that the green marketing mix has an effect on the brand image of The Body Shop.

2.2. Green product

Green products are environmentally friendly products or services that do not cause harmful effects to the external environment [12]. All products produced by the company must pay attention, be responsible and be a solution to major environmental problems, such as waste content, air pollution, global warming, health and so on. This product produces at least a little toxic waste by continuing to apply the principles of the money cycle and does not endanger the lives of other creatures such as animal experiments.

Green Product according to Handayani et al. [13] is a product that is made in a way that aims to minimize the effects that can pollute the environment. Products that tend to pay attention to environmental issues and try to maintain good environmental conditions and help the community can affect the value of the company which can produce a good image in the minds of consumers. In line with the research compiled by Fraccascia et al. [14], Green Marketing and Packaging has influence on Brand Image toward Starbucks Coffee Consumers. Based on presentations and previous research findings, this study proposes the following hypotheses:

H1: Green Product has an effect on Unilever Indonesia's Brand Image.

2.3. Green price

Prices are influenced by several factors such as production costs, promotion costs, market competition, product advantages. The price of products from companies that implement green marketing is relatively more expensive than products that do not apply the green concept. However, consumers are willing to pay more if the value of the green product has more value. This added value can be generated from the

performance, function, attractive shape and design of the product, or tastes that match the customers. According to Sohail [15] green price refers to a certain price or premium that must be paid by consumers to obtain environmentally friendly products offered by the organization. Fan et al. [16] said that the green price is the premium price that consumers are willing to pay for environmentally friendly products.

Price is the total cost that a person must pay for goods or services. Price is an important element of the marketing mix. Kalama [17] says that most consumers will be willing to pay more if there is added value in the product purchased. This added value can spur companies to improve performance, quality, function, design, and other elements [18]. According to Sembiring [3] consumers who care about environmental sustainability will always remember the company's image and will continue to remember even though the price of conventional products is more affordable than the price of eco-friendly products offered. Research conducted by Sreen et al. [19] shows that Green Price affects brand image. Based on presentations and previous research findings, this study proposes the following hypotheses:

H2: Green Price has an effect on Unilever Indonesia's Brand Image.

2.4. Green promotion

Promotion can be used as a source of product information. Promotional activities that are often carried out by companies must be carried out by prioritizing environmentally friendly principles, for example by utilizing digital platforms to reduce the use of paper as promotional media. Sohail [15] said that green promotion uses promotional media such as to increase sales, direct marketing, and present videos by considering life on earth.

Green promotion is an advertising activity that provides information on eco-friendly products so that this activity can foster customer sensitivity which will stimulate the customer's desire to pay while using the advertised goods. A study conducted by Ellitan et al. [20] shows that green promotion affects brand image. The company's green promotion activities that aim to campaign on environmental issues are carried out by creating programs so that the company's image as an environmentally friendly company is getting stronger [3]. Based on presentations and previous research findings, this study proposes the following hypotheses:

H3: Green Promotion has an effect on Unilever Indonesia's Brand Image

2.5. Green place

Green place is about a series of product distribution channel activity networks ranging from material procurement to distribution channel management to consumption points that apply environmentally friendly principles and minimize environmental damage around the production site as much as possible [15]. According to Mahmoud et al. [12], green place can be defined as a location where a product can be purchased, it can mean physical or virtual stores, environment where there is no contamination.

Green Place relates to the place where the product can be reached or the product distribution process. According to Manongko [21], green Place is a strategy to distribute products by reducing the impact of transportation and distribution. The distribution of products that apply the green concept must be from satisfactory channels, and clearly and correctly placed in an environmentally safe place and no contamination. Sreen et al. [19] shows that Green Place affects Tupperware’s Brand Image. With the implementation of Green Place, company has created a good impression because it has played a role in reducing pollution which in turn affects the brand image in the eyes of the public and prospective buyers [20].

H4: Green Place affects Unilever Indonesia’s Brand Image.

The authors propose research framework as below (Fig. 1):

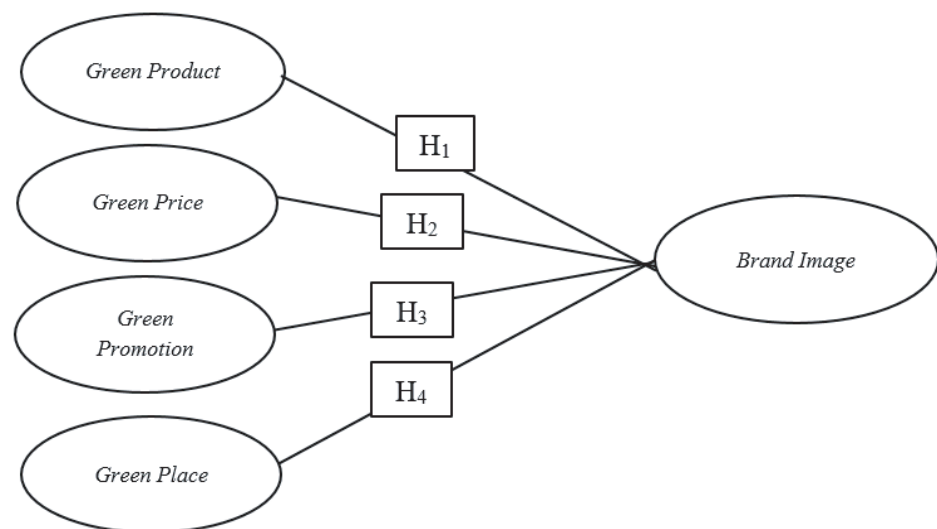


Figure 1: Conceptual framework.

3. Research Methods

The research uses a quantitative approach. The type of research that can be used is quantitative research in order to be able to examine a particular population or sample. The sample in the study will be collected randomly by obtaining data using the help of instruments such as questionnaires or surveys and the data collected for analysis is statistical. The characteristics of the population in this study are all individuals who have spent money on Unilever products that are domiciled in South Tangerang City. This population is a population that cannot be identified because the exact population of customers who buy Unilever products in South Tangerang City cannot be known with certainty. The sample in the study will be collected randomly by obtaining data using the help of instruments such as questionnaires or surveys and the data collected for statistical analysis. The reason researchers use a quantitative approach for quantitative research is that this type of approach is suitable in order to determine the relationship between variables in a population. Researchers also want to test the hypothesis that has been made with a quantitative approach.

Two types of data used in this study are primary data. In obtaining these data, researchers must use the purposive sampling technique, which is believed to be useful for selecting samples according to what the researcher needs based on its benefits and can represent a population. In addition, for secondary data, researchers can get from drawing conclusions from books, reviewing existing literature, and developing theories.

Questionnaires will be used as the main instrument to obtain data. Then a validity test is needed to determine whether or not each question or statement in the questionnaire is valid. Then the reliability test is carried out to assess the variables in the questions or statements used in the research are reliable or not. Data was collected by distributing questionnaires using a form on Google to 160 Unilever Indonesia customers randomly with certain criteria, namely domiciled in the South Tangerang area. The domicile of the respondents is dominated by respondents who live in Pondok Aren as many as 58 people out of 160. Then the respondents are dominated by the age group of 15-24 years, with as many as 129 respondents. By research, it is also known that each respondent has used at least one product from Unilever Indonesia such as Pepsodent, SariWangi, Lifebouy.

4. Results and Discussion

This research used multiple linear regression to analyse data and SPSS statistical calculations were carried out. The t-test was carried out so that the influence of the independent variables Green Price, Green Promotion, Green Place and Green Product could be known partially or individually on the dependent variable Brand Image. To perform this t-test, it is done by finding the value of the t-count and then comparing that value with the value of the t-table. In this study, the t-table value found was 1.975 which was obtained from calculating the formula $(\alpha/2; n-k-1)$ where n is the number of samples and k is the number of all variables. The formula is translated into $(0.05/2; 160-5-1)$ namely $(0.025; 154)$.

From the results of the t-test, it is found that the Green Price, Green Place, Green Promotion and Green Product variables have a t-count value greater than the t-table. The effect of Green Product on Unilever Indonesia's Brand Image based on table 4.12 has a significance level of 0.00 which is less than 0.05, so it can be said that Green Product has a positive and significant effect with a t value of 3.796 and has a positive coefficient direction. It can be concluded that H0 is rejected and H1 is accepted. So that the green product variable has a significant positive effect and is weakly related to brand image by 27.2%.

The influence of Green Price on Unilever Indonesia's Brand Image based on table 4.12 has a significance level of 0.022, which value is smaller than 0.05, so it can be said that Green Price has a positive and significant effect with a t value of 2.314 and has a positive coefficient direction. So that the Green Price variable has a significant positive effect and is weakly related to Brand Image by 40.2%.

The effect of Green Promotion on Unilever Indonesia's Brand Image based on table 4.12 has a significance level of 0.00, which is less than 0.05, it can be said that Green Promotion has a positive and significant effect with a t value of 3.653 and has a positive coefficient direction. It can be concluded that H0 is rejected and H1 is accepted. So that the Green Promotion variable has a significant positive effect and is weakly related to Brand Image by 36.8%.

The influence of Green Place on Unilever Indonesia's Brand Image based on table 4.12 has a significance level of 0.046 which is less than 0.05, so it can be said that Green Place has a positive and significant effect with a t value of 2,014 and has a positive coefficient direction. It can be concluded that H0 is rejected and H1 is accepted. So that the Green Place variable has a significant positive effect and is weakly related to Brand Image by 44.8%.

4.1. The effect of green products on Unilever Indonesia brand image

Based on the test results in the study, it shows that the green product has a positive and significant effect on Unilever Indonesia's brand image. Based on the validity and reliability testing, the green product variable is said to be valid and reliable based on the Pearson correlation and Cronbach alpha values obtained. A value obtained is 0.715, this value indicates that the green product variable is reliable and describes the consistency of each respondent in answering each statement item in the questionnaire that has been given. Furthermore, the t-test results show that the green product has a significance value below 0.05 so that it can be concluded that the green product variable has a positive and significant effect on brand image. The magnitude of the effect of green products on brand image is 27.2%. An influence below 50% is said to be a weak influence, so the effect of green products is considered to have a weak influence on brand image.

The results of research and testing show that people who are Unilever Indonesia customers choose to agree that a good eco-friendly product, including the packaging of the product, can affect the brand image. In this study, green products can be assessed from indicators which are then included in the questionnaire. The findings in this study indicate that Unilever Indonesia customers feel that products and packaging that are environmentally friendly, both in terms of product composition and processing and packaging waste from Unilever Indonesia, provide a good brand image for the company. Empirically the results of this study are like previous research by Hedge and Mishra [11] on The Body Shop products.

4.2. The effect of green price on Unilever Indonesia brand image

Based on the test results in the study, it shows that the green price has a positive and significant effect on Unilever Indonesia's brand image. Based on validity and reliability testing, the green price variable is said to be valid and reliable based on the Pearson correlation and Cronbach alpha values obtained. The value obtained is 0.642, this value indicates that the green price variable is reliable and describes the consistency of each respondent in answering each statement item in the questionnaire that has been given. Furthermore, the results of the t-test indicate that the green image has a significance value below 0.05 so that it can be concluded that the green price variable has a positive and significant effect on brand image. The magnitude of the influence of the green price

on the brand image is 40.2%. The influence of close to 50% is said to be quite strong, so the influence of green price is considered to have a weak influence on brand image.

The results of research and testing show that people who are Unilever Indonesia customers choose to pay any price for environmentally friendly products if the product does not have a negative impact on nature and the environment. This has an impact on consumers' minds that this higher price gives the impression that customers play a role in protecting the environment by using eco-friendly products. In addition, it is also known that customers choose to agree that the price of Unilever's environmentally friendly products is in accordance with the design and quality and the lower product price will encourage consumers to buy it. All of the results presented in this study are the results also obtained by Sreen [19] when they researched Tupperware products

4.3. The effect of green promotion on Unilever Indonesia brand image

Based on the results of the tests that have been carried out, it shows that green promotion has a positive and significant effect on Unilever Indonesia's brand image. Based on validity and reliability testing, the green promotion variable is said to be valid and reliable based on the Pearson correlation and Cronbach alpha values obtained. A value obtained is 0.710, this value indicates that the green promotion variable is reliable and describes the consistency of each respondent in answering each statement item in the questionnaire that has been given. Furthermore, the t-test results show that green promotion has a significance value below 0.05 so that it can be concluded that the green promotion variable has a positive and significant effect on brand image. The magnitude of the effect of green promotion on brand image is 36.8%. The influence of close to 50% is said to be quite strong, so the influence of green promotion is considered to have a weak influence on brand image.

The results of research and testing show that people who are Unilever Indonesia customers feel that Unilever provides a lot of information about the environment, both in its advertisements and social media. In addition, they also agreed that Unilever Indonesia offers promotions and special offers for people who buy environmentally friendly products or who participate in the company's CSR programs. This can be seen in the implementation of the refill station establishment by Unilever Indonesia, where every customer who buys a product from the refill station will be given a special price. All of the results in this study are the results obtained by Sembiring [3] when researching various products from companies that specialize in food and beverages in Indonesia.

4.4. The effect of green place on Unilever Indonesia brand image

Based on the results of the tests that have been carried out, it shows that the green place has a positive and significant effect on Unilever Indonesia's brand image. Based on validity and reliability testing, the green place variable is said to be valid and reliable based on the Pearson correlation and Cronbach alpha values obtained. A value obtained is 0.705, this value indicates that the green place variable is reliable and describes the consistency of each respondent in answering each statement item in the questionnaire that has been given. Furthermore, the results of the t-test that have been carried out using the SPSS program show that green place has a significance value below 0.05 so that it can be concluded that the green promotion variable has a positive and significant effect on brand image. The magnitude of the effect of green place on brand image is 44.8%. The influence of close to 50% is said to be quite strong, so the influence of green place is considered to have a weak influence on brand image.

The results of research and testing show that people who are Unilever Indonesia customers agree that Unilever's eco-friendly products are easy to reach, readily available and easily found in stores that support the environmental movement. This is in line with Unilever's efforts to build several refill stations in strategic locations that are crowded with visitors, such as in Bintaro, Kalibata City Apartments, and BSD Modern Market. This refill station can give a good impression in the public's mind that this is one of the company's real efforts to protect the environment. All of the results in this study are the results that were also obtained by Hedge and Mishra [11] when they researched The Body Shop products.

5. Conclusion

Based on the results of the research and the conclusions that have been described, it will try to put forward some positive suggestions that may provide benefits for Unilever Indonesia to improve its brand image. Suggestions that can be submitted are as follows. Unilever Indonesia should always maintain the quality of its products that are environmentally friendly by continuously maintaining the composition, packaging and waste that are not harmful to the environment so that the concept of sustainable living is always implemented for a long period of time. Unilever Indonesia continues to assess the prices of eco-friendly products produced so that their prices can compete in the market. Unilever Indonesia should continue to improve environmental promotions and campaigns through advertising and social media so that more and more people are

aware of environmental issues and interested in participating in CSR campaigns and programs implemented by the company. Unilever Indonesia should continue to facilitate the reach of Unilever's environmentally friendly products such as refill stations that can be more easily accessed by the public. For other organizations and/or companies that have not implemented this concept, it can be considered for other organizations to apply this concept in the future. So that later in the coming year more and more companies will prioritize the noble goal of protecting the environment for the implementation of a sustainable life for the next generation

Acknowledgments

The authors are grateful to Universitas Pembangunan Jaya for supporting our research. We also thank anonymous reviewers which help the authors improve this research.

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