

GREEN MARKETING MIX EFFECTS ON CONSUMERS' PURCHASE DECISION: A LITERATURE STUDY

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ABSTRACT

Green marketing mix considerably affects consumers' purchase decision. This study aimed to present a literature review of the factors that affect consumers' purchase decision of plant-based dairy alternative products and to cover the limitation of previous literature which is being research gaps of this study. The type of research used in this research is a systematic literature review. The data for this study were gathered through an online search of green marketing mix publications published between 2015 and 2021. The total number of journals collected was 14. The research findings show that there are four elements of green marketing mix that influence consumers' purchase decision, namely green product, green price, green place, and green promotion.

Keywords: *Green Marketing Mix, Green Product, Green Price, Green Place, Green Promotion Purchase Decision, Consumer Behaviour*

INTRODUCTION

The food industry is responsible for approximately 26% of global greenhouse gas emissions. Many businesses continue to create their products in non-environmentally friendly packaging. Green consumers must become smarter and more discerning in their product purchases (smart consumers' initiative). Producers in all industries, especially the food industry, are also taking part in reducing animal products' consumption, as evidenced by the increasing variety and quality of vegan products. It is seen that currently, more vegetable or vegan products replace products such as meat and dairy-based products in supermarket aisles (Adise et al., 2015).

Currently, we can see a stable growth in the sale of various plant-based milk alternatives globally, as Conway (2020) from Statista estimates that the market value of plant-based drinks worldwide will increase from 11.1 billion in 2018 to 19.6 billion in 2023. Green marketing is a strategic marketing approach that has begun to emerge and become the attention of many parties. Green marketing is an environmentally friendly concept that stresses quality, performance, affordability, and practicality while minimizing environmental effect. According to Pritulska et al. (2021) most customers prefer plant-based milk owing to environmental concerns and a desire for a healthy lifestyle. It was also demonstrated that consumers consider the price and adequacy of the brand's promotional efforts before purchasing.

Numerous studies collectively conclude that the green marketing mix activities positively correlates with consumer purchasing behaviour towards environmentally friendly products, such as consumer purchasing decisions (Nekmahmud & Fekete-Farkas, 2020; Shabbir et al., 2020). Humairoh & Elfani (2020) mentioned that advertisements promoting the eco-friendly movements have a positive impact on consumers' emotions, attitudes and preferences affect buying behaviour on green products, which also motivates them to be more environmentally conscious. Singhal & Malik (2018) also found that people are willing pay a higher price for a greener products because they want to recognise themselves with brands that are green compliant. Hossain & Khan (2018) provide more evidence that a product's environmental effect, as well as its green promotional efforts, have a substantial effect in Bangladeshi consumers' purchasing decisions for green products.

Basalamah et al., (2020) further demonstrate that organizations enhance their sales by using a green marketing strategy and segmenting their consumers who are emotionally sympathetic to the environment and live a green lifestyle, which indicates a positive effect on consumers' buying decision. However, plant-based dairy substitutes are rarely mentioned. Moreover, even though various types of green marketing research have been undertaken in Indonesia and other countries such as India, Pakistan, the United Arab Emirates, and Bangladesh, very few studies have focused on studying customer behaviour for this specific market. The author finds that because the described market is recently skyrocketing and on its way to expanding its worldwide market, there are not many studies on the customer behaviour of plant-based dairy alternative products.

Aside from some of the gaps stated, it is also clear that the green marketing mix elements applied are not all the same. This research studies the 4P (Product, Price, Place, and Promotion) dimensions. However, earlier studies have investigated eight aspects, with some focusing on only two. Moreover, there is a phenomenon gap in Indonesia's alternative milk market. Reports confirm that most Indonesians metro consumers intent to follow a plant-based diet, with 83 per cent claimed that they have tried plant-based milk alternatives and oat milk is one of them (Cahayani & Kunto, 2019; Rakuten Insight, 2019). Transparency Market Research (2021) shows an escalation of interest for dairy-free beverages as consumers in the Asia Pacific region are adopting plant-based products. However, as of this study is conducted, there are rarely any studies in Indonesia that examine consumer behaviour of plant-based products.

In conclusion, the concept of green marketing mix implemented by companies leads to the needs, desires and awareness of consumers in protecting and preserving the environment whilst also consuming products that are beneficial and safe for their health. Green marketing mix in this study includes four elements of the green marketing mix (green product, green price, green promotion, and green place) to sell products and services offered from environmental advantages that are formed from reducing waste, increasing energy efficiency, and reducing toxic emissions. This study aims to present a literature review on the factors that influence consumer purchasing decisions. The results of this study are expected to provide information and references to increase consumer demand, especially in the plant-based alternative products sector.

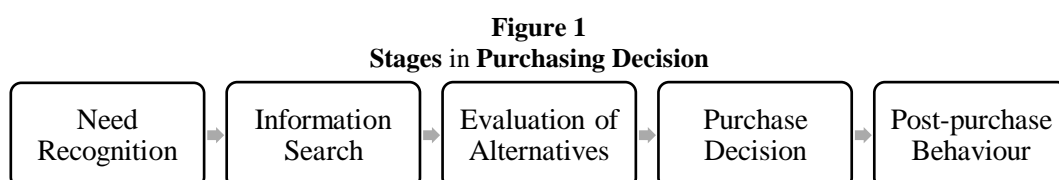
RESEARCH METHOD

The research method uses a systematic literature review. The research data was obtained through an online search of journals that investigate consumers' purchase decision through the green marketing mix published in 2015-2021. The number of journals analysed were 14 journals. The data is used to identify and analyse the factors that influence consumer purchasing decisions which are analysed qualitatively.

RESEARCH RESULTS

Purchase Decision

Kotler & Armstrong (2018) concluded that consumer buyer behaviour refers to the purchasing habits of end consumers - individuals and households who buy goods and services for personal consumption. They also stated that consumers will go through five stages of the purchase decision process. This stage is illustrated in the following illustration:



Source: Kotler & Armstrong (2018)

Purchasing decisions, according to Kotler & Armstrong (2018), is the process of forming consumer preferences for brands that are in the evaluation stage. In general, the consumer's purchasing decision will be to acquire the most favoured brand, but two variables can stand in the way of the purchase intention and the purchase decision, namely: (a) The attitude of an important or influential individual, and (b) Unexpected events that change one's intention to purchase.

According to Kotler & Keller (2017), the indicators of one's decision to purchase is the fulfilment of needs, information availability, product advantages and disadvantages, product selection decisions, decision regarding brand, and the desire to switch from other brand/product.

Green Marketing Mix Elements That Affect Purchase Decision

Green Product

Green products are products that are made in an environmentally friendly way, have few negative effects, are recyclable, save resources, and are prepared on the spot. Environmentally friendly products are included in the category of products that naturally produce non-toxic, pollution-free, packaged naturally and according to components and have the lowest environmental and human impact. These products are biodegradable, recyclable, have little packaging and are made with organic processes, so they can be said to be environmentally friendly products (Alharthey, 2019). According to Arseculeratne & Yazdanifard (2013), a product can be considered green if the manufacturing process is environmentally sustainable (eco-friendly) and the product's use causes little environmental harm. Eco-friendly goods can help protect and preserve natural resources by reducing or eliminating the use of hazardous chemicals, emissions, and waste.

Green products are alternatives chosen by customers to address environmental issues. The presence of green products will increase customer drive to generate value in the minds of consumers, influencing purchase decisions. Moreover, environmentally conscious consumers are intrinsically motivated to be aware of the product's environmental qualities (Al-Majali & Tarabieh, 2020; Hossain & Khan, 2018; Humairoh & Elfani, 2020; Rasaputra & Choon-yin, 2015). The notion above depicts a relationship between green product and consumer purchasing decisions. Customers tend to involve themselves first to find out about green products and narrow the range of green products to be easy to choose. Green consumers have a significant impact on the environment; thus, those who care about the environment must select the most appropriate product qualities. According to Azad & Laheri (2014) and Bhardwaj et al. (2020), green product has certain indicators, namely: the raw materials used are environmentally friendly the product does not generate excessive waste products are safe for consumption the packaging used is biodegradable and environmentally friendly eco-labelling and certification, and consumers' perception on the product itself.

Green Price

Prices according to Sharaf & Perumal (2018), have been defined as costs in traditional economics, but recent studies recognize that prices serve to inform people about the value of goods or services. Price is one of the non-product attributes of brand associations that can be an important association in the formation of brand perceptions, especially those related to values and desires, and is a criterion that consumers often use to share knowledge about the market. Price is considered as one of the influential factors in the green marketing mix. Many consumers show readiness to pay higher prices if they have the perception that the product purchased has added value. This value comes in the form of a better taste, creative design, more attractive visual appeal and enhanced functionality (Diglel & Yazdanifard, 2014).

The green price is the price that consumers pay for environmentally friendly products. The costs incurred by the company in each of its activities, such as additional costs for a more environmentally friendly production process. Additional costs for processing waste so that it does not pollute the environment and additional costs for updating technology considering the impact of technology use all impact price determination. Therefore, price is an essential factor that buyers evaluate when selecting whether or not to purchase a product. According to another study Pritulska et al. (2021) customers are even willing to pay a little more (suitable) price for ecologically friendly (green) products, specifically on plant-based milk. Based on previous researches, it can be concluded that there is a strong influence between green costs and purchasing behavior (Al-Majali & Tarabieh, 2020; Kucher et al., 2019; Nekomahmud & Fekete-Farkas, 2020; Shabbir et al., 2020; Sharaf & Perumal, 2018). To indicate a product's green price, the prices given are higher than similar products from other brands, premium price in accordance with the benefits received, premium price is in accordance to product quality, prices given are proportional to what is done to the environment, and consumers are willing to pay environmentally friendly prices (Diglel & Yazdanifard, 2014)

Green Place

Bhalerao & Deshmukh (2015) states, places are generally referred to as distribution channels or distribution networks, the place can be a physical store (building) or a virtual store (online store). The process involves in getting the product from the producer to the consumer is known as physical distribution. An environmentally friendly distribution channel means that it can be anything that minimizes the efforts of customers and producers to acquire and sell the product. Many companies are now selling their products online where the buying and selling process has become practical; reduce customer costs to visit a store, select a store, and then purchase a product. The company has created its own website featuring merchandise, so customers should order online and get the desired product within days. Internet can be called as an environmentally friendly distribution channel because it offers unmatched convenience to customers. And of course this can save costs for producers in various intermediaries (Bhalerao & Deshmukh, 2015).

The green location also helps to improve the transport system by lowering emissions and energy usage. However, when a firm distributes its products beyond geographic boundaries, it creates a sensitive environmental issue. The quality of the location where the product is marketed, on the other hand, is a proper green location signal for customers. Therefore, outlets with the green place approach will undoubtedly attract customers into a setting that cares for the environment while still remembering the fundamental goal of consumers, meeting their requirements (Al-Majali & Tarabieh, 2020; P. Govender & L. Govender, 2016). What indicates a product's green place is that products are easy to reach and find, strategic location for offline distributors/stores, online and offline distributor stores support environmentally friendly activities, and completeness of products in online and offline distributor stores (Yan & Yazdanifard, 2014)

Green Promotion

Bhalerao & Deshmukh (2015) states that companies carry out promotional activities to create awareness about the products or services they make. Promotion has always been the hope of the company's top management to have an optimal promotion budget so that it can create good awareness and can influence target consumers to make further purchases. Talking in terms of green promotion will be fulfilled to an optimal level. The optimal level that needs to be advanced is not only in terms of the cost of the promotion but also the various ways that it affects the promotion. The methods are as follows: selection of promotional partners; selection of promotional materials; and selection of advertising messages. Hasan & Ali (2015) said green promotion is an effective means to promote the products, services, ideas and efforts of companies to maintain their concerns and initiatives to protect the environment. It is also a means by which companies share information and that companies also have a direct impact on global issues, as public awareness shows.

Green Promotion is the process of introducing environmentally friendly products and changing consumer perceptions of environmentally friendly products by using below-the-line and above-the-line marketing activities. Companies that use a green promotion strategy to consumers and their environment will apply continuous communication intensively in increasing public knowledge of the environmentally friendly products they sell. Thus it will create value in the minds of consumers, thus having an impact on purchasing decisions. Previous studies show the results that there is a significant influence between Green Product Promotion on purchasing decisions (Al-Majali & Tarabieh, 2020; Basalamah et al., 2020b; Hossain & Khan, 2018; Humairoh & Elfani, 2020; P. Govender & L. Govender, 2016; Shabbir et al., 2020; Wolok, 2019). There are certain indicators of green promotion according to Karunarathna et al. (2020), namely: accuracy of advertising media, advertising message delivery, advertising strengthens the brand image, advertising becomes an information guide, and whether the advertisements influence consumer interest and loyalty.

PRIOR RESEARCH

A plethora of research has been conducted on the effect of corporate green marketing activities as constituents of consumers' decision to purchase green product all over the world, including the UAE, Bangladesh, Jordan, Singapore, Saudi Arabia, Ukraine, Malaysia, South Africa, and India (Alharthey, 2019; Basalamah et al., 2020b; Nekomahmud & Fekete-Farkas, 2020; P. Govender & L. Govender, 2016; Sharaf & Perumal, 2018; Singhal & Malik, 2018; Wolok, 2019). These studies proof the population gap which indicated by one of the demographic factors,

in this case, different countries. There is a gap in evidence shown by differences between results of an empirical research study conducted, one of them by Hossain & Khan (2018), where green marketing is in the form of green price and green place do not influence consumers' decision to buy green products.

A methodological gap was also found, defined as gaps in research that do not have a robust research method. In such a manner, it is necessary to carry out similar research from a different perspective, in this case, a different analysis technique (Gridchyna et al., 2014). All referenced journals use a quantitative approach, where most use regression analysis (Alharthey, 2019; Hossain & Khan, 2018; Humairoh & Elfani, 2020; P. Govender & L. Govender, 2016; Pritulska et al., 2021; Shabbir et al., 2020; Sharaf & Perumal, 2018; Wolok, 2019) and others use the Structural Equation Modelling (SEM) (Al-Majali & Tarabieh, 2020; Basalamah et al., 2020b; Kucher et al., 2019; Nekomahmud & Fekete-Farkas, 2020; Rasaputra & Choon-yin, 2015; Singhal & Malik, 2018). None of these studies use a qualitative approach.

Table 1
Research Gaps

Population Gap	Evidence Gap	Methodological Gap
Countries or areas with similar phenomena may result different research findings due to the target population's custom, behaviour, or other elements that affect their reaction to certain events. Previous researches were predominantly conducted in different countries and only some were conducted in Indonesia.	Not every research has the same findings and some even might contradict with each other. There is an evidence gap between previous studies regarding the positive or negative impact and the level of significance of green marketing mix elements on purchase decisions.	There is a methodology gap, as previous studies used quantitative methods to investigate green marketing mix effects on purchase decisions. A qualitative approach using systematic literature review is needed because it delivers a clear and comprehensive overview of available evidence on a given topic.

Source: Data developed upon research (2021)

The most prominent drawbacks of prior studies are their targeted population and small sample sizes. These studies are primarily conducted overseas, hence the results are limited to representing customers in respected nations and locations. Although some utilize a large sample size, their target population is so huge that the sample size is insufficient (i.e., P. Govender & L. Govender (2016) cultivated 100 samples to represent the whole South African citizens). Another limitation is that they rarely describe the green product or brand that they examine, resulting in too broad consumer behavior, despite the fact that each product and marketing approach should elicit a different reaction from the audience.

One of the benefits of this research is felt by the company in question, thus it is best to explain in detail what the firm can implement from suggestions and criticisms for the company's green marketing operations. Unfortunately, few address the management consequences for the company in question or other companies in the same industry. Finally, there is inconsistency in the dimensions used in this research, with some using only two dimensions and others using more. This study investigates four of the most prevalent dimensions in order to produce more detailed and tabulated results.

CONCLUSIONS

Based on a systematic literature review from previous research, it can be concluded that there are 20 factors in total of the four elements in green marketing mix that influences consumers' decision to purchase plant-based dairy alternative products. Table 2 below summarises the research findings:

Table 2
Green Marketing Mix Factors that Affect Purchase Decisions

Elements	Factors
Green Product	<ul style="list-style-type: none"> • The raw materials used are environmentally friendly • The product does not generate excessive waste • Products are safe for consumption • The packaging used is biodegradable and environmentally friendly • Eco-labeling and certification • Product perception
Green Price	<ul style="list-style-type: none"> • Prices given are higher than similar products from other brands • Premium price in accordance with the benefits received • Premium price according to product quality • Prices given are proportional to what is done to the environment • Consumers are willing to pay environmentally friendly prices
Green Place	<ul style="list-style-type: none"> • Products are easy to reach and find • Strategic location for offline distributors/stores • Online and offline distributor stores support environmentally friendly activities • Completeness of products in online and offline distributor stores
Green Promotion	<ul style="list-style-type: none"> • Accuracy of advertising media • Advertising message delivery • Advertising strengthens the brand image • Advertising becomes an information guide • Influencing consumer interest and loyalty

Source: Data developed upon research (2021)

Future research is expected to expand the scope of research on the relationship between green marketing mix and consumers' purchase decision in the plant-based dairy alternative sector, especially by comparing more than different plant-based dairy alternative companies. In Indonesia, the number of studies related to purchase decisions in the plant-based dairy alternative sector with a qualitative approach is still very limited, so for further research it is recommended to use qualitative methods or mixed methods (mix-methods) to encourage discussion and allow more flexibility. When people expand on why they feel or act a certain way, it can introduce new topic areas not previously considered and questioning can adapt in real-time to the quality and nature of information being gathered.

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