

Consumer Perception And Brand Towards Green Marketing Strategy And Its Impact Through Customer Trust As An Intervening Variable

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ABSTRACT

This study aims to analyze the impact of green marketing strategy and brand on consumer perception, with customer trust as an intervening variable, specifically for Lee Minerale products. In an era where environmental awareness is increasing, consumers tend to choose products that apply sustainability principles. Green marketing has become one of the key strategies for companies to attract environmentally conscious consumers, but its effectiveness is greatly influenced by the trust built with consumers. This research uses a quantitative approach with Structural Equation Modeling (SEM) and involves a random sample of Lee Minerale consumers. The results indicate that the brand has a significant and strong influence on green marketing and customer trust, making it the most influential variable in the model. This suggests that a strong brand image plays a crucial role in shaping a positive perception of green marketing strategies and in enhancing customer trust. On the other hand, consumer perception did not show a significant effect on either green marketing or customer trust, indicating that individual perceptions of the product are not strong enough to significantly influence green marketing strategies or customer trust. Additionally, customer trust in green marketing approaches significance, but its effect remains weak. This suggests that although customer trust slightly influences perceptions of green marketing, its statistical effect is not strong enough. Overall, these results emphasize the importance of brand strategy in reinforcing perceptions of green marketing and building customer trust. Therefore, companies are advised to focus on improving their brand image to achieve success in green marketing strategies. These findings provide insights for companies looking to optimize green marketing strategies by leveraging brand strength as a key factor.

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INTRODUCTION

Climate change and environmental damage have become urgent global issues that need to be addressed. In this context, sustainable marketing strategies, including green marketing, have emerged as important approaches for companies to attract the attention of consumers who are increasingly concerned about the environment. Drinking water products, such as Lee Minerale, face the challenge of adapting to this trend. Green marketing involves promoting products with a focus on environmental benefits and sustainability, which can create added value for consumers. According to Peattie and Crane (2005), green marketing not only includes eco-friendly products but also sustainable production processes and transparent communication about the environmental impact of these products (Peattie & Crane, 2005).

Lee Minerale, as one of the leading bottled water brands in Indonesia, needs to understand consumer perceptions of the green marketing strategies it implements. Research by Taufiq et al. (2020) shows that consumers prefer brands that demonstrate a commitment to environmental sustainability. However, these perceptions can vary depending on consumer demographics and backgrounds. Additionally, the influence of customer trust as an intervening variable in the relationship between consumer perception of the brand and green marketing strategies also needs to be explored (Taufiq, H., Hadi, S., & Rahman, 2020). Customer trust can affect purchase decisions and brand loyalty. According to Morgan and Hunt (1994), trust is a key element in the relationship between companies and consumers, especially in the context of sustainable products.

This study aims to analyze how consumer perception and price affect Lee Minerale's green marketing strategy and how it influences customer trust, which in turn affects purchasing decisions. Previous research by Ahmad and Saad (2017) shows that customer trust can enhance the positive influence of green marketing on purchasing decisions. Data from the Indonesian Bottled Water Association (ASMIN) indicates that the environmentally-conscious market segment is growing. This creates an opportunity for Lee Minerale to enhance its marketing strategies by placing greater emphasis on sustainability. However, the challenge lies in how to effectively communicate these values to consumers.

Moreover, research by Kahn and Hwang (2016) shows that consumers with more knowledge of environmental issues tend to pay more attention to green marketing strategies. Therefore, it is important for Lee Minerale to implement targeted education and campaigns to raise consumer awareness. Given the large market potential and the importance of sustainability, this study will use a quantitative method to collect data from Lee Minerale consumers across various regions. The data is expected to provide deeper insights into the relationship between consumer perceptions, green marketing strategies, and customer trust.

Thus, this study not only focuses on marketing aspects but also on its environmental impact and how companies can contribute to sustainability. The findings are expected to provide recommendations for Lee Minerale in developing more effective and sustainable green marketing strategies.

METHODS

This study uses a quantitative approach to analyze the impact of green marketing strategies on consumer perception with customer trust as an intervening variable for Lee Minerale products. The quantitative method was chosen to obtain measurable and reliable results through statistical analysis that aligns with the research objectives. This research is conducted using a survey design to collect primary data directly from consumers. The data used in this study is primary data, obtained through a questionnaire containing statement items. The sampling technique used is nonprobability sampling with purposive sampling, where sampling is done based on specific considerations.

This study falls under the category of infinite populations, meaning the population size is not precisely known. To determine the sample size, the formula from Hair is used. For determining the sample size in Structural Equation Modeling (SEM), it is based on the number of indicators used in the research model. Hair suggests that a good sample size in SEM ranges from 5 to 10 times the number of indicators in the model (Hair et al., 2021). The sample in this study consists of 100 consumers of Lee Minerale bottled water.

The data analysis method used in this research is variance-based, with an alternative of Partial Least Squares (PLS) using Smart PLS software version 3.3.3. The PLS calculation process involves two models: the Measurement Model (Outer Model) and the Structural Model Testing (Inner Model).

RESULTS AND DISCUSSION

The results of this study utilized Partial Least Squares (PLS) analysis with SmartPLS software. PLS is a variance-based Structural Equation Modeling (SEM) technique that can simultaneously measure the measurement model and test the structural model. The measurement model testing (outer model) is used for validity and reliability testing, while the structural model testing (inner model) is used to assess causality, which involves hypothesis testing with the predictive model.

Results of Measurement Model Testing (Outer Model)

After considering the factor loadings and ensuring feasibility, the next step is to evaluate the results of data quality testing. These data quality testing results will be used in the outer model analysis to illustrate the relationship between latent variables and their indicators,

essentially explaining how each indicator is related to its respective latent variable.

Outer Loadings

Matrix				
	GREEN MA...	KEPERCAYA...	MEREK	PERSEPSI K...
GM1	0.717			
GM2	0.820			
GM3	0.867			
KP1		0.799		
KP2		0.855		
KP3		0.816		
KP4		0.853		
MR1			0.764	
MR2			0.761	
MR3			0.759	
MR4			0.744	
MR5			0.767	
				PK1
				PK2
				PK3
				PK4
				PK5
				0.876
				0.859
				0.920
				0.812
				0.884

Convergent Validity

Based on Table 1 above, the factor loading values indicate the correlation level between the indicators and the latent construct. In the PLS model, if the factor loading value is greater than 0.7, it is considered valid, and if it falls between 0.4 and less than 0.7, it can be retained without altering the calculation. Table 1 shows that all items have convergent validity above 0.7, so it can be concluded that all items are valid.

Average Variance Extracted (AVE) Validity

The Average Variance Extracted (AVE) test is used to evaluate how well a variable can represent the original data scores. If the AVE value is > 0.5, it indicates good convergent validity. The AVE value for each research variable will be presented in this validity test. The AVE test is used to determine whether the variance in the indicators for each variable is homogeneous. The AVE values are listed in Table 3. From Table 3, it can be seen that all variables meet the validity criteria, with AVE values greater than 0.5. Each construct also has an AVE value above 0.5. Therefore, there are no convergent validity issues in the tested model.

Reliability

The final step in evaluating the outer model is to test the unidimensionality of the model. This test is conducted using Composite Reliability and Cronbach's Alpha. The threshold value used for both measurements is >0.7. From Table 4, the results show that both Composite Reliability and Cronbach's Alpha for each construct have values greater than 0.7. This implies that all variables meet the reliability criteria in this study, and no reliability or unidimensionality issues were found in the constructed model.

Construct Reliability and Validity

Matrix	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
GREEN MARKETING	0.722	0.725	0.845	0.646
KEPERCAYAAN PELANGGAN	0.851	0.851	0.899	0.691
MEREK	0.818	0.822	0.872	0.576
PERSEPSI KONSUMEN	0.920	0.922	0.940	0.759

Discriminant Validity

After ensuring that there are no issues with convergent validity, the next step is to test discriminant validity. This can be done by examining the cross-loading table, which reveals how well the construct predicts its indicators compared to other constructs. If the correlation between a construct and its primary measurement (each indicator) is higher than the correlation with other constructs, discriminant validity is considered met. The results of discriminant validity are shown in Table 3, which indicates that the cross-loading values used to test an indicator of a construct are higher than the cross-loading values with indicators from other constructs.

The method used to measure discriminant validity is by comparing the square root of AVE (Average Variance Extracted) for each variable with the correlation between that variable and other variables in the model. If the square root of AVE is greater than the correlation with other latent variables, the variable is considered valid.

Discriminant Validity

Fornell-Larcker Criterion	Cross Loadings	Heterotrait-Monotrait Ratio (HTMT)	Heterotrait-Monotrait Ratio (HTMT)
	GREEN MARKETING	KEPERCAYAAN PELANGGAN	MEREK PERSEPSI KONSUMEN
GREEN MARKETING	0.804		
KEPERCAYAAN PELANGGAN	0.623	0.831	
MEREK	0.701	0.750	0.759
PERSEPSI KONSUMEN	0.602	0.519	0.790 0.871

Results of Structural Model Testing (Inner Model)

The results from testing the structural model used to analyze the inner model, which illustrates the relationships between latent variables based on the substantive theory. The structural model is evaluated using R square for the dependent constructs. The results are explained in the context of the dependent variables, where the R square value should ideally be above 0.10 (the higher the value, the better), indicating good quality for the dependent construct. Additionally, there is also the f square to measure effect size and the predictive relevance Q2.

R Square

Matrix	R Square	R Square Adjusted
	R Square	R Square A...
GREEN MARKETING	0.524	0.509
KEPERCAYAAN PELANGGAN	0.577	0.568

To measure the structural model, R-Square is used to evaluate how much variation in the dependent variable is explained by changes in the independent variables (Jogiyanto, 2007). According to Ghozali, Imam & Latan (2017), R-Square values of 0.75, 0.50, and 0.25 indicate strong, moderate, and weak models, respectively. The R-Square values are listed in Table 5. From the table above, it can be seen that the adjusted R-Square value for Green Marketing is 0.509, indicating that the consumer perception and brand variables explain 50.9% of the variation in Green Marketing. Meanwhile, the adjusted R-Square value for customer trust shows that the consumer perception and brand variables together explain 56.8% of the variation in customer trust. This result indicates that the dependent constructs have values above 0.10, suggesting good quality.

f² for Effect Size

f-Square Value

f Square

Matrix	f Square				
		GREEN MA...	KEPERCAYA...	MEREK	PERSEPSI K...
GREEN MARKETING					
KEPERCAYAAN PELANGGAN	0.057				
MEREK	0.063	0.729			
PERSEPSI KONSUMEN	0.025	0.034			

From this analysis, we can conclude:

1. Brand has a large influence on Customer Trust ($f^2 = 0.729$). This indicates that brand strength and image are crucial in enhancing customer trust in the product.
2. Green Marketing and Consumer Perception have a small effect on Customer Trust and Brand. This suggests that while green marketing and consumer perception are important, their impact is not as significant as the impact of the brand on customer trust.

Therefore, a strong brand strategy is more important for enhancing customer trust compared to green marketing strategies or consumer perception in this model. However, green marketing and consumer perception still have a small influence that can support the overall strategy's success.

Results of Hypothesis Testing

In hypothesis testing, the correlation results between constructs are measured by considering the path coefficients and their significance levels. The significance levels are then compared with the established research hypotheses, using a significance level of 5% in this study. After the data is processed using SmartPLS and the initial PLS algorithm calculations,

the next step is to perform bootstrapping on the existing model. The confidence level used is 95% or α of 0.05. The t-table value for the 5% significance level is 1.96, and the P-values are < 0.05 . Therefore, hypothesis acceptance and significance are determined when the t-statistic value $>$ t-table value and P-value < 0.05 . Based on the data processing results in the table below, the hypothesis testing can be further described as follows:

Total Effects

Mean, STDEV, T-Values, P-Values	Confidence Intervals	Confidence Intervals Bias Corrected	Samples		
	Original Sa...	Sample Me...	Standard D...	T Statistics (...)	P Values
KEPERCAYAAN PELANGGAN -> GREEN MARKETING	0.252	0.264	0.134	1.882	0.060
MEREK -> GREEN MARKETING	0.598	0.605	0.130	4.586	0.000
MEREK -> KEPERCAYAAN PELANGGAN	0.905	0.916	0.114	7.976	0.000
PERSEPSI KONSUMEN -> GREEN MARKETING	0.130	0.126	0.121	1.070	0.285
PERSEPSI KONSUMEN -> KEPERCAYAAN PELANGGAN	-0.197	-0.199	0.142	1.387	0.166

Customer Trust in Green Marketing

The analysis reveals that the original sample value for the effect of customer trust on green marketing is 0.252, with a t-statistic of 1.882 and a p-value of 0.060. Since the p-value is slightly above the commonly accepted significance level of 0.05, the effect is not statistically significant at the 95% confidence level. Consequently, it can be concluded that customer trust does not have a significant influence on green marketing within the scope of this study.

Brand on Green Marketing

The analysis indicates that the effect of brand on green marketing is highly significant, with an original sample value of 0.598, a t-statistic of 4.586, and a p-value of 0.000. These results demonstrate a strong and statistically significant relationship at the 99% confidence level. This finding underscores that a positive brand image significantly enhances consumer perception of green marketing strategies, highlighting the critical role of branding in influencing green marketing outcomes.

Brand on Customer Trust

The analysis demonstrates that the effect of brand on customer trust is both strong and highly significant, with an original sample value of 0.905, a t-statistic of 7.976, and a p-value of 0.000. These results indicate a significant impact at the 99% confidence level. This finding highlights that a strong brand has a substantial influence on increasing customer trust in the product, emphasizing the importance of brand strength in building consumer confidence.

Consumer Perception on Green Marketing

The analysis reveals that the effect of consumer perception on green marketing is not statistically significant, as indicated by an original sample value of 0.130, a low t-statistic of 1.070, and a p-value of 0.285, which is well above the commonly accepted significance level of 0.05. These results suggest that consumer perception does not have a meaningful influence on green marketing in the context of this study.

Consumer Perception on Customer Trust

The analysis shows that the effect of consumer perception on customer trust is not statistically significant, with an original sample value of -0.197, a t-statistic of 1.387, and a p-value of 0.166. Since the p-value exceeds the commonly accepted significance level of 0.05, this indicates that consumer perception does not have a meaningful impact on customer trust in the product within the scope of this study.

Specific Indirect Effects

Mean, STDEV, T-Values, P-Values	Confidence Intervals	Confidence Intervals Bias Corrected	Samples					
				Original Sa...	Sample Me...	Standard D...	T Statistics (...)	P Values
MEREK -> KEPERCAYAAN PELANGGAN -> GREEN MARKETING				0.228	0.243	0.134	1.705	0.089
PERSEPSI KONSUMEN -> KEPERCAYAAN PELANGGAN -> GREEN MARKETING				-0.050	-0.055	0.056	0.891	0.373

Specific Indirect Effects Analysis

The Influence of Brand Image on Green Marketing through Customer Trust

The analysis indicates that the indirect effect of brand on green marketing through customer trust is not statistically significant, with an original sample value of 0.228, a t-statistic of 1.705, and a p-value of 0.089. Although customer trust may slightly mediate the relationship between brand and green marketing, the effect is not strong enough to reach significance at the 95% confidence level. This suggests that the mediating role of customer trust in this context is minimal and not statistically robust.

The Influence of Consumer Perception on Green Marketing through Customer Trust

The analysis reveals that the indirect effect of consumer perception on green marketing through customer trust is not statistically significant, with an original sample value of -0.050, a t-statistic of 0.891, and a p-value of 0.373. Since the p-value is well above the commonly accepted significance level of 0.05, it can be concluded that customer trust does not mediate the relationship between consumer perception and green marketing in this model.

CONCLUSION

Brand is the most influential variable in this model, both directly on Customer Trust and Green Marketing. This indicates that strategies to strengthen the brand image can enhance customer trust and reinforce the perception of green marketing. Consumer Perception does not have a significant effect on either Green Marketing or Customer Trust. This suggests that consumer perception of the product, in itself, is not strong enough to influence green marketing perceptions or build customer trust directly. Customer Trust has an effect on Green Marketing that is close to being significant, but its effect is not statistically strong enough. This indicates that, although customer trust may have a slight influence, it does not have a significant overall effect on green marketing perceptions. Brand has a significant and large direct effect on Customer Trust and also influences the perception of green marketing. Customer Trust plays a weak mediating role between Brand and Green Marketing, but this effect is only close to being significant, suggesting that customer trust may slightly strengthen the effect of the brand on green marketing. Consumer Perception does not show a significant effect either directly or indirectly through Customer Trust on Green Marketing.

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