



## Green Products: Green trust on Green Equity

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**ABSTRACT:** The aim of this research is to prove the determining factors that can strengthen the value of Sensatia Botanicals brand green products. The criteria used were respondents who had used beauty products who were at least 20 years old and lived in the city of Denpasar and a sample of 100 respondents who were measured based on the number of indicators used. Distribution of questionnaires and interviews will be used as data collection methods. The questionnaire is measured using a Likert scale which will be tested using the validity test and reliability test of the instrument so that the questionnaire is suitable for use. The analysis technique that will be used in this research is a simple linear regression analysis technique. The results of this research prove that green trust has a positive and significant influence on green brand equity. In the future, this research can be used as a reference for companies in implementing policies related to strategies to increase the brand value of green products in a positive direction.

**KEYWORDS:** green products, green marketing, green trust, green brand equity

### INTRODUCTION

The trend of people's mindsets which are starting to tend towards healthy living trends requires companies to fulfill the wishes of the wider community as much as possible through innovative efforts in developing products that pay more attention to environmental sustainability (Shaputra, 2013). One innovation strategy that many companies are now using to market environmentally friendly products is green marketing.

Developing, differentiating, pricing, and promoting products and services that suit the wishes of the community while still paying attention to the environment are part of green marketing activities (Chen and Chang, 2012). It is important for companies that want to launch green products to campaign about how many benefits and information consumers can get by consuming their products, because without disclosing sufficient information, it is difficult for companies to gain the trust of consumers. According to Chen (2010) there is a need to adopt green marketing for companies, namely in accordance with environmental trends, taking advantage of green opportunities, improving company image, increasing product value, and increasing competitive advantage. The industrial sector that currently uses the green marketing concept quite a lot is companies from the beauty products sector, one of which is Sensatia Botanicals. Sensatia Botanicals is a beauty care company from Bali that carries the concept of cosmetic products with ingredients derived from nature and plants native to Indonesia and of course environmentally friendly.

Green marketing implemented by the company Sensatia Botanicals not only offers environmentally friendly products, but also carries out environmentally friendly production processes. Green Marketing is one-way Sensatia Botanicals can increase the brand value of their company. One of the main goals of the company is to create a strong brand in the market because it can provide benefits for the company such as getting larger profit margins, including achieving competitive advantage and maintaining brand expansion opportunities (Delgado-Ballester and Munuera-Alema'n, 2005) .

Trend which requires companies to commit to environmental friendliness, creating an environmentally friendly brand image is important as a start to introducing environmentally friendly products to the wider community. to determine how strong the value (equity) provided by a brand. The lack of understanding and clear information shows Some consumers still doubt their trust in the environmentally friendly claims of Sensatia Botanicals brand green beauty products, and if consumer trust is low, the initial introduction of the Sensatia Botanicals brand product image will also have a negative impact.

The concept adopted from Chen (2010) explains that green brand equity is a brand, name and symbol of commitment and concern for the environment of a product or service that can add or reduce the value of the product or service. Aaker and Biel (2009:69) in their book argue that increasing brand equity is driven by increasing positive brand image. A positive image in terms of the environment of a brand is an asset, because having a positive image will have an impact on consumer perceptions in various ways which will lead to strengthening the brand in the minds of consumers. Chen (2010) also defines green brand image as the



perception that arises in the minds of consumers towards a particular brand that has a commitment and concern for environmental sustainability.

Another determining factor of green brand equity is green trust (Chen, 2010). Consumers who are satisfied with a particular brand will create a trust commitment, which is demonstrated by using the same brand continuously without considering other brands regarding competing products (Azfal et al, 2010). Chen and Chang (2013) argue that providing positive results and benefits for consumers through brand trust over all risks can increase consumers' willingness and desire to depend on the brand.

Creating a brand image is considered important as the first step in starting consumer trust in a brand to make it easier for consumers to remember the name, logo and the value of using environmentally friendly brand-related products (Dewi, 2014). The stronger the green brand image, the higher the consumer's desire to trust the brand by providing confidence or hope resulting from the brand's credibility, benevolence, and ability regarding its environmental performance (Chen, 2010).

Sensatia Botanicals yang implementing a green marketing strategy to increase competitive advantage and value (equity) in green products must pay attention to the perception created in the minds of consumers as products with an environmentally friendly image and strengthen consumer trust through providing information regarding environmental considerations. Based on the findings and information from previous research to research green brand equity at Sensatia Botanicals Denpasar, you can use green brand image and green trust as determining factors.

Pervious research confirms that brand trust is an important factor for increasing brand equity and moreover research results show that brand trust is positively and significantly related to brand equity (Delgado-Ballester and Munuera-Alema'n, 2005). Research conducted by Fitri (2012) produced empirical evidence that customer trust is a significant determinant of brand equity. Other empirical evidence was obtained in research by Chen (2010) which showed the significant influence of testing the green trust variable on green brand equity in Taiwanese electronic products.

H<sub>1</sub>: Green trust has a significant and positive effect on green brand equity

## METHODS

This research is qualitative and associative in nature, where associative research is used to analyze direct and indirect relationships between variables. Denpasar City was used as a research location because the behavior of the people of Denpasar City reflects a society with a lifestyle that prioritizes lifestyle and appearance, therefore the people of Denpasar City will be selective in using brands of beauty products that claim their products are environmentally friendly.

Quantitative and qualitative data types are used in this research and data sources use primary and secondary data. Quantitative and qualitative data were collected through a collection method by administering questionnaires to respondents and measured using a Likert scale of 1 to 5.

Green trust yang is defined as consumers' willingness to trust brands that care about the environment, because there is hope and belief that a brand can provide positive results and benefits for consumers.

Green brand equity in this research is the perception that respondents feel about a brand related to their commitment and concern for environmental preservation, both from the brand itself, symbols and brand names which can add or reduce the value of a product or service.

All consumers in Denpasar City who have used Sensatia Botanicals brand beauty products were used as the population used in the research. The population is infinite and cannot be counted So a non-probability sampling technique using the purposive sampling method is used in the sampling technique. The criteria used were respondents who had used beauty products who were at least 20 years old and lived in the city of Denpasar and a sample of 100 respondents who were measured based on the number of indicators used. Distribution of questionnaires and interviews will be used as data collection methods. The questionnaire is measured using a Likert scale which will be tested using the validity test and reliability test of the instrument so that the questionnaire is suitable for use. The analysis technique that will be used in this research is a simple linear regression analysis technique.

## RESULTS AND DISCUSSION

The characteristics of the respondents show that from 100 respondents, the percentage of men was 22 percent, while women had the highest percentage of 78 percent. Most of the respondents were also in the age classification of 20-29 years with a percentage of 63.0 percent of the total respondents used. The results of this research mean that the majority of respondents are dominated by



female customers who have used green beauty products from the Sensatia Botanicals brand in Denpasar City and in accordance with the criteria for determining respondents aged over 20 years who are already familiar with and starting to pay attention to environmentally friendly beauty products. Based on the latest education criteria, respondents who had a Bachelor's degree 1 received the highest score, namely 32 percent compared to respondents who had other recent education. The results of this data processing also show that respondents who have private sector employee status have the highest rate of 47 percent in knowing Sensatia Botanicals' green practices.

Based on the test results regarding the effect of green trust on green brand equity, it shows that the green trust beta coefficient is positive at 0.445 with a significance level of 0.000 (less than 0.05), which means that the green trust variable has a positive and significant effect on green brand equity and hypothesis H<sub>3</sub> accepted. The research results show that the higher the green trust felt by consumers towards the Sensatia Botanicals brand, the value of the green brand equity of Sensatia Botanicals products will increase, and vice versa if the green trust felt by consumers is not in accordance with what they expect related to the environmentally friendly concept, then the value of the green brand equity of Sensatia Botanicals products will decrease.

The results of this research are supported by previous research where Delgado-Ballester and Munuera-Alema'n (2005) argued that to increase brand equity it is important to use brand trust as a driving factor and showed that brand trust is positively related to brand equity. The same results from previous research were found by Fitri (2012) who produced empirical evidence that customer trust is a significant determinant of brand equity with her research entitled "The Influence of Trust, Customer Satisfaction and Relationship Commitment on Brand Equity and Image of Sharia Banks in Jambi City". Other empirical results were obtained in research by Chen (2010) which showed that green trust had a positive and significant influence on green brand equity in Taiwanese electronic products.

Green trust is a consumer's belief in relying on a brand that is considered to provide positive benefits with the aim of gaining loyal customers. The results of this research prove that green trust has a positive and significant effect on green brand equity. It is hoped that the company in this research, Sensatia Botanicals, can carry out sustainable and measurable marketing communication efforts. Consumers tend to evaluate brands including trust in the brand, so Sensatia Botanicals company marketers must be able to maintain consumer trust by regularly communicating the benefits obtained after using products with environmentally friendly labels.

The relationship between green trust and green brand equity can be used as a benchmark for the Sensatia Botanicals company and its marketers in terms of seeing market opportunities by using the application of green marketing to continue to provide a commitment to environmental protection in the eyes of the wider community and consumers. The Sensatia Botanicals company, with a brand that carries an environmentally friendly concept, must also remain alert to the existence of other competitors from similar companies who can provide different positive behavior by the public towards using beauty products mixed with other artificial ingredients. High creativity in green marketing will be able to help brands with environmentally friendly beauty product labels continue to be the best beauty products in Bali or further afield in Indonesia.

## CONCLUSION

Green trust has a significant and positive effect on green brand equity. The research results show that the more consumers believe in the commitment and benefits provided by environmentally friendly products, the higher the potential for positive green brand equity, and conversely, the weaker the green trust that consumers feel towards environmentally friendly products, the potential for green brand equity to occur. positive ones will decrease, or the green brand equity of environmentally friendly products will tend to be negative, especially for green beauty products from the Sensatia Botanicals brand. The research results indicate that overall green trust felt by consumers will influence and determine whether the influence of an environmentally friendly image is effective as evidenced by companies being able to achieve competitive advantage due to increasing equity.

Green products are related to Sensatia Botanicals brand green products. Implementing effective green practices by giving strength to brands will directly influence companies to gain access to new markets and increase their profitability.

Sensatia Botanicals as one of the original Balinese companies that uses natural ingredients in producing its products, it is hoped that it can improve its image as an environmentally friendly brand through creative promotions that prioritize environmentally friendly product claims that suit the needs and desires of consumers now and in the future.

Sensatia Botanicals management needs to pay attention to the green marketing strategy of its environmentally friendly products by increasing intensity in communicating the benefits contained in Sensatia Botanicals beauty products to gain consumer



confidence in its capabilities and commitment to environmental sustainability in order to achieve competitive advantage in the current cosmetics industry.

Sensatia Botanicals management also needs to provide education for the public and consumers to direct them to switch to using natural products that pay attention to environmental sustainability and are safe for their health.

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