

Effect of Green Marketing and Corporate Social Responsibility on Brand Image of the Cosmetic Brands

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Abstract. The study aims to investigate that influence green marketing and CSR on brand image of the cosmetic brands. The survey questionnaires were administered to 132 research respondents using various cosmetic brands. The Structural Equation Model-Partial Least Square (SEM-PLS) technique was adopted using SmartPLS version 3. The findings shows that corporate social responsibility and green marketing have a positive and significant impact on the brand image of the cosmetic companies. Through this paper, cosmetic companies can gauge the behavior of potential customers. Academics can utilize this study to do additional research by using green marketing as a predictor of brand image. Empirically, this study contributes to our understanding of green marketing.

Keywords: Green Marketing, CSR, Brand Image

1 Introduction

It is extremely concerning that the globe is experiencing global warming. Regarding global warming, it results in ozone layer loss, temperature shifts, an increasingly unstable climate, and other negative effects. Many environmental organizations started to form in order to educate individuals about the significance of preserving the quality of environment. Plenty of individuals only observe environmental protection with no desire to take action. When it was understood that human indifference to earth's survival was a reality, the phrase "go green" gained jargon and started to be repeated. [3].

According to [7] The marketing efforts from a few years ago that were successful in highlighting environmental by using environmental themes in advertisements and graphic design that frequently featured natural, vivid images show that marketers' understanding of the environment has been growing for a long time. "A number of consumer products are added with various indications in a tidy and peaceful setting. The use of green marketing strategies in the product space is thought to strengthen environmental issues' integrity in all business operations, from strategy development, planning, and preparation to production, distribution, and client distribution. [10] A company or group engaged in green marketing develops, advertises, charges for, and distributes items that do not harm the environment.

2 Literature Review

2.1 Green Marketing

[7] "Green marketing as the movement which is directed towards organizations responsible for environmentally responsible production of products". [4] green marketing is marketing with "environmentally responsible, with the minimum possible negative impact on the environment". [9] describes green marketing as "the application of marketing tools to facilitate changes that provide organizational satisfaction and individual goals in maintaining, protecting, and conserving the physical environment". [10] Green marketing is an initiative to create, market, and distribute goods that do not harm the environment. [5] There are four (4) indicators of green marketing, namely "green product, green price, green place, and green promotion".

2.2 Corporate Social Responsibility

[8] Corporate social responsibility is "the company's commitment to improving community welfare through good business practices and contributing some of the company's resources". [3] There are three (3) measures of corporate social responsibility: "economic performance, social performance, and relational performance".

2.3 Brand Image

[6] Describe brand image as "The perceptions and beliefs held by consumers, as reflected in the associations held in consumer memory." It is understood as customer views and beliefs that are reflected in or ingrained in the thoughts and memories of the consumer themselves. Consumer knowledge or past brand experiences may contribute to this view. [6] Three (3) factors—favorable brand association, strong brand association, and distinctive brand association—are indications of a brand's image.

3 Research Method

The three research variables are brand image, CSR, and green marketing. In this study, 132 respondents made up the samples. The indicators were utilized to evaluate the research variables since the overall research indicators reveal sig. R indicator question is more than 0.3 ($\alpha = 0.3$), therefore each indication variable is reliable. Since the reliability test's significance level is set at 0.6, an instrument is considered trustworthy if its result is greater than or equal to the critical value, which is set at 0.6. As for the reliability test outcome in this study, it demonstrates the reliability of every variable examined.

4 Research Hypothesis

The research variables and their relationships are shown in Figure 1 along with our suggested research model.

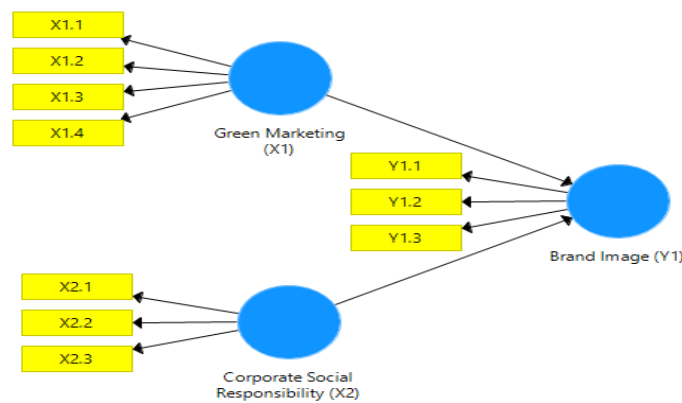


Fig. 1. Proposed Research Model, Variable, and Their Relationship

With this knowledge in mind, we suggest the following hypothesis:

- H1: “Green marketing (GM) has a significant positive relationship with brand image (BI) of the cosmetic brands”
- H2: “CSR has a significant positive relationship with brand image (BI) of the cosmetic brands”

5 Result and Discussions

According to the results of the descriptive analysis, there were 132 customers who used different cosmetic brands among the respondents who served as the study's subjects.

5.1 Path Analysis

Table 1 displays the findings of the investigation of the relationships between the brand image, CSR, and green marketing variables.

Mean, STDEV, T-Values, P-Values

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Corporate Social Responsibility (X2) -> Brand Image (Y1)	0,482	0,484	0,082	5,876	0,000
Green Marketing (X1) -> Brand Image (Y1)	1	0,240	0,078	2,701	0,007

Table 1. The Result of Path Analysis

H1: “There is a significant direct effect of variable green marketing on brand image”.

The results of the route analysis test to ascertain how green marketing might affect brand perception are shown in Table 1. The decision to reject H0 was made when the t-test results of 2.701 were obtained. The significant impact of green marketing on brand perception was accepted.

H2: “There is a significant direct effect of variable corporate social responsibility on brand image”.

The findings of the path analysis test to ascertain the impact of green marketing on purchase intention is shown in Table 1. The decision to reject H0 was made when the t-test results of 5.876 were obtained. The important hypothesis regarding the impact of green marketing on consumer intention was accepted.

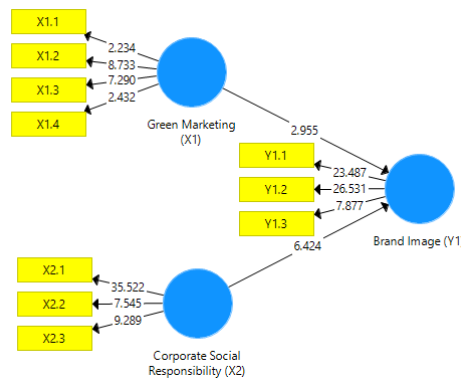


Fig. 2. Path Diagram Result

The Path Equation was:
 $BI = 2.955 GM + 6.424 CSR$

6 Discussion of Research Results

6.1 Effect of Green Marketing on Brand Image of The Cosmetic Brands

The findings support the first hypothesis, according to which green marketing significantly improves brand perception. This demonstrates how a cosmetic brand's increased use of green marketing will support its reputation. [2] study, "The Influence of Green Marketing Strategy on Purchase Decision with Mediation Role of Brand Image" demonstrates that green marketing has a considerable beneficial impact on brand image. This study is in accordance with the study of [5] "Green Marketing: Strengthen the Brand Image and Increase the Consumers' Purchase Decision" which claims that green marketing significantly improves brand perception.

6.2 Effect of Corporate Social Responsibility on Brand Image of The Cosmetic Brands

The findings support the third hypothesis, according to which corporate social responsibility significantly improves brand perception. This demonstrates that The Body Shop's increased CSR efforts have a negligible effect on the cosmetic company's reputation.

The findings are supported the study done by [2], "The Influence of Green Marketing Strategy on Purchase Decision with Mediation Role of Brand Image" which establishes a significant positive effect between corporate social responsibility on brand image. This study supports research by [15] "The Influence of Corporate Social Responsibility Towards Brand Image and Corporate Reputation on Study of the Body Shop" "Forever Against Animal Testing" Campaign" which demonstrates that corporate social responsibility has a significant positive impact on brand image. [1] "The Effect of Corporate Social Responsibility on Consumer Purchase Decision with Corporate Image and Brand Image As Intervening" demonstrates that corporate social responsibility has a very beneficial impact on brand image.

7 Conclusion And Suggestion

7.1 Conclusion

1. Green marketing was proven to have a significant effect on brand image with a contribution shows with T-Statistic value of 2.701 (T-Statistic > 1.96)
2. Corporate social responsibility was proven to have a significant effect on brand image with a contribution shows with T-Statistic value of 5.876 (T-Statistic > 1.96)

7.2 Suggestion

1. Green marketing significantly enhances the perception of a brand. Public knowledge of the environment motivates people to make environmentally conscious purchasing decisions. This has developed into one of the chances for businesses that utilize environmentally-based marketing tactics, or what is known as green marketing, to increase their market share. It is urged, though, that cosmetic brands delve deeper into their ethical principles. it uses to advertise Cosmetic Brands goods. Teenagers who purchase these products can

better comprehend these ideals and the advantages when using Cosmetic Brand products, even when they are more expensive, to boost the reputation of the Cosmetic Brand.

2. Corporate social responsibility significantly improves brand perception. Building an image is a difficult process. Product quality, prompt service, and signage are some of the triggers that can quickly form pictures. It is appropriate that the business constantly strives to improve the elements that can boost its reputation.

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