

From Green Marketing to Brand Loyalty: Millennial Starbucks Consumer Perspective

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From Green Marketing to Brand Loyalty: Millennial Starbucks Consumer Perspective



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Abstract

Currently, many companies have implemented green marketing activities in their various activities as part of their social awareness and they are required to reach consumers with green marketing messages to increase brand loyalty and raise environmentally friendly issues. Starbucks is one of the global companies that implement this. The purpose of this study was to examine the effect of green marketing on Starbucks' brand loyalty. The population in this study is all Starbucks consumers in the millennial generation. In this study, the sample selection technique used a purposive sampling technique 100 respondents. The analysis technique is simple linear regression analysis. The results of the analysis show that green marketing affects brand loyalty.

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1 Introduction

Green Marketing examines the symbiotic role that marketing plays in ensuring business sustainability, exploring issues related to the environment and how strategic decisions can affect them. Today, environmental issues are increasingly associated with competitive approaches that any organization can apply. Based on this approach, organizations can gain a competitive advantage by managing environmental variables and by developing and implementing green marketing strategies (Abd-El-Salam et al., 2013).

According to Delafrooz et al. (2014), Green marketing refers to the satisfaction of customer needs, wants, and desires for the maintenance and preservation of the environment. Eco-label, eco-brand, and environmental advertisement are part of green marketing tools that can make perception easier and increase awareness of eco-friendly product features and aspects (Hidah & Sedana, 2021). Implementing this policy tool plays an important role in changing consumer behaviour to buy environmentally friendly products, thereby reducing the side effects of the production process on the environment (Devi & Yasa, 2021).

Green products created by the company certainly have a higher price when compared to ordinary products (green pricing), but consumers who have extensive knowledge will not take the risk to buy goods that do not have guarantees regarding safety, comfort, product quality, and guarantees health. Environmentally minded consumers are willing to pay a premium price (higher price) compared to the price of standard products (Erdoğan & Cicek, 2012; Sahin et al., 2011; Russell-Bennett et al., 2007).

One of the global companies that implement green marketing is Starbucks. This company which is engaged in the Food & Beverages business offers products with environmentally friendly packaging and carries out many environmentally friendly campaigns, and although the price offered or green pricing is relatively more expensive due to obtaining certification for the company itself (Gadau, 2016; Ginsberg & Bloom, 2004).

Brand loyalty is very important in a market where the competition between several brands is fierce. In the context of environmentally friendly marketing, to gain a competitive advantage, more and more companies are increasing customer satisfaction with environmental needs by adopting environmentally friendly marketing strategies (Kang & Hur, 2012). Han & Ryu (2009), stated that the overall function of positive behaviour towards green behaviour strongly influences several behavioural intentions including purchase intention and willingness to pay premium prices.

Before deciding to buy a product, consumers usually pay attention to the product to be purchased or look for information about the product (Groening et al., 2018; Mathur & Mathur, 2000). Some things that are usually considered, such as product quality, price, and the brand of the product itself, are usually described through the brand image of the product. Thus new consumers can decide to choose a product or a particular brand (Putripeni & Kusumawati, 2014).

Literature review and hypothesis development

Green marketing is all activities designed to facilitate human needs and desires in creating customer or consumer satisfaction by paying attention to minimizing adverse impacts on the environment (Voyer et al., 2017; Brunk, 2010; Pantano, 2014). A successful green marketing strategy will influence consumer decisions on the products the company launches in the market so that many consumers buy environmentally friendly products from time to time to become loyal customers (Haeryet al., 2013; Nagaraju & Thejaswini, 2014).

The results of this study are following a study conducted by Krisopras & Giantari (2016), which states that the existence of Corporate Social Responsibility (CSR) in a company that is part of Green Marketing has a significant effect on brand loyalty. According to research by Larasati & Octavia (2015), a green corporate image has a positive effect on green customer loyalty. A green corporate image has a positive effect on green customer loyalty. Sari & Setiawan (2017), also found that the green marketing variable had a significant effect on the brand loyalty variable. Rejeki et al. (2015), state that the green marketing variable has a significant effect on the brand loyalty variable.

H1: Green Marketing has a positive and significant effect on Brand Loyalty.

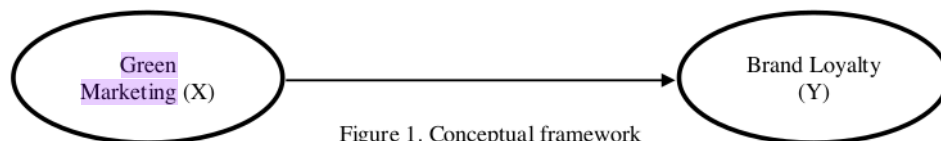


Figure 1. Conceptual framework

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2 Materials and Methods

The population in this study are Starbucks consumers in the millennial generation. In this study, the sample selection technique used the purposive sampling technique. The number of samples determined was 100 people. The data collection method used is a questionnaire distributed through Google Forms. The analysis technique used in this study is a simple linear regression analysis technique.

3 Results and Discussions

Table 1
Simple linear regression analysis

Coefficient Variable	Beta Coefficient	t-value	Significant	Description
Green Marketing → Brand Loyalty	0,352	3,297	0,001	Hypothesis Accepted

Primary Data, 2022

Based on the results of the analysis, green marketing has a positive and significant effect on brand loyalty with a t value of 3.297 and a significant value of 0.001 which indicates that the better the company implements green marketing, the level of consumer loyalty to the brand (brand loyalty) will be higher and vice versa if the company If you don't apply green marketing then brand loyalty will be low (Sanclemente-Téllez, 2017; Chu et al., 2020).

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Table 2
Determination Coefficient (R²)

Variable	R ²
Green Marketing	0,304

Primary Data, 2022

The R-Square value of 0,304 means that 30.4% of the variation in brand loyalty is influenced by green marketing while the remaining 69.6% is explained by other factors outside the research model.

4 Conclusion

Green marketing has a positive and significant effect on Starbucks' brand loyalty. It can be said that, when implementing green marketing, brand loyalty will be higher. Companies are advised to further improve the quality of the products sold so that they are better than Starbucks' competitors. Such as increasing the efficiency of the use of materials, so that the price offered can be reduced so that the products offered have a lower price, it is advisable to pay more attention to Starbucks layout design to become more energy efficient so that it is more environmentally friendly by implementing friendly building concepts. In an environment that can reduce the use of electrical energy by using lighting from the sun, it is recommended to further increase the application of environmentally friendly to all sectors in the company, it is advisable to pay more attention to the delivery of green marketing messages to build brand loyalty to be more targeted because in this study it was found that the effect of green marketing on brand loyalty has the lowest value, it is recommended for further researchers to conduct research with a wider scope, taking into account environmental changes in the future.

Conflict of interest statement

The authors declared that they have no competing interests.

Statement of authorship

The authors have a responsibility for the conception and design of the study. The author(s) have approved the final article.

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