

# Green Satisfaction: Relationship of Green Brand Image to Green Brand Equity

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## ABSTRACT

People are increasingly inspired to care about the environment by altering their behavior and attitudes to utilize more environmentally friendly items. As a result, many businesses are forced to take responsibility for environmental sustainability by developing brands that promote environmental sustainability through the use of the green marketing idea. Investigating green satisfaction in the context of the link between green brand image and green brand equity. The population of this study is Naavagreen Skincare product users, with 104 respondents sampled using non-probability sampling and purposive sampling. Data quality tests, structural equation models, CFA tests, and SEM analysis tests were used to analyze the data. The effect of environmental changes has compelled many businesses to take responsibility for environmental sustainability by developing brands that promote environmental sustainability through the use of green marketing. This study has policy implications for maintaining environmental quality. The test results of this study indicate that the green brand image variable has a positive and significant effect on green brand equity mediated by green satisfaction on Naavagreen Skincare product consumers as evidenced by the results of the standardized direct effect value of green brand image and green brand equity < from the standardized indirect effect value of green. Brand image and green brand equity are  $0.572 < 1.253$ . Based on these tests, it can be seen that consumer satisfaction with an environmentally friendly product can make brand equity better. By increasing the image of an environmentally friendly product, it can make consumers satisfied so as to provide added value to the product. This study has policy implications for maintaining environmental quality.

**Keywords:** *Green Brand Image; Green Brand Equity; Green Satisfaction*

## 1. INTRODUCTION

Environmental contamination is a common concern in this age of globalization. Climate change and human behavior are beginning to raise environmental concerns. Currently, the public/consumers are more inspired to care about the environment by altering their behavior and attitudes to purchase ecologically friendly items [1]. As a result, many businesses are forced to take responsibility for environmental sustainability by developing brands that promote environmental sustainability through the use of the green marketing idea. Consumer impressions and sentiments about a product and its performance are represented by its brand. In the end, the brand is in the consumer's mind. "Products are manufactured in factories, but brands are built in the imagination," a well-known marketer once observed. A powerful brand has a high level of brand equity [2].

Currently, one of the industrial sectors that use the green marketing system is a company engaged in the beauty sector. Seeing this phenomenon, Naavagreen products created a new movement by creating beauty facial care products made from natural ingredients obtained from plant extracts such as flowers and fruit. Another function of green marketing in Naavagreen Skincare products is to provide an increase to the company's brand value, because basically creating a well-known brand in the market is the goal of most companies.

Based on the results of a brief interview with one of the managers of the Naavagreen Skincare Clinic, Wonosobo Branch, brand image is quite important for the survival of the company. If the brand image is good, it will increase customer satisfaction. Where this consumer satisfaction can be seen from the number of visitors who come. The more satisfied consumers, the more visitors/consumers who come. When consumers are satisfied, it can create good brand equity. When these

three aspects are created, the company will be able to maximize its profits. However, for the last few months (May-December 2020) data on a decrease in the number of visitors at the Naavagreen Skincare Clinic Wonosobo Branch was obtained, this was allegedly due to a decrease in brand equity or the added value provided to the Naavagreen Skincare product. Because the results of using Naavagreen Skincare products are less significant and take longer, this causes many consumers to lose confidence in these products and choose to switch to other products that tend to have more benefits with significant and rapid changes. This Naavagreen Skincare product is a product that uses the principle with natural but healthy and quality results because it uses natural ingredients in it with a period of time for the effect of the change to take longer, compared to those containing chemicals/other active ingredients. And also, because there are several other beauty brands such as LBC (London Beauty Center), Drw Skincare, and MS Glow, which are known to have a more significant effect of changing usage. To increase brand equity that has been declining, a good brand image is needed. By using consumer satisfaction as a mediating variable to determine whether brand image has a positive effect on the brand equity of these environmentally friendly products.

In this study, an update from previous research used an intervening variable (green satisfaction) as a mediator so that there was a significant and positive effect of green brand image on green brand equity. Where from previous research [3] there is no significant and positive effect of green brand image on green brand equity. This research will be carried out with different research objects and using a new method in the form of SEM and AMOS methods as analysis tools.

Based on previous empirical studies, there are inconsistent findings, because previous studies there is still a gap between the green brand image variable and green brand equity, therefore it is thought that a mediating variable is needed to strengthen the relationship, namely the green satisfaction variable. Green satisfaction can strengthen the relationship between green brand image and green brand equity because a higher brand image in the minds of consumers will make consumers more satisfied with the company. If there is positive satisfaction regarding the company's performance on the environment, then a positive green brand equity will be created in the minds of consumers. This is supported by research conducted by [4].

Green Brand Image is very influential on Green Brand Equity, where Green Brand Equity is a set of judgments in the minds of consumers that the product brand shows commitment and concern for environmental sustainability issues [1]. The existence of a caring attitude of consumers on environmental sustainability, consumers will be more interested and put their trust in brands that

have a positive image in preserving the environment. Besides being influenced by green brand image, the determining factor for green brand equity is green satisfaction. Green satisfaction is the level of satisfaction from the use of an environmentally friendly product in accordance with the wishes, expectations, and needs [5].

On the basis of these issues, the researchers will conduct study to demonstrate the influence of green brand image on green brand equity as mediated by green satisfaction on Naavagreen Skincare goods. It can be seen that the main problem faced by Naavagreen Skincare Wonosobo Branch is the decline in brand equity which causes many consumers to switch to other well-known brands that are on the rise and have a more significant effect on using their products. Therefore, the formulation of the research problem is as follows: How to create a good green brand image so that it can increase green brand equity with green satisfaction as a mediator.

The goals of this study are to determine the influence of green brand image on green brand equity, green brand image on green satisfaction, green satisfaction on green brand equity, and green brand image on green brand equity through green satisfaction based on the formulation of the problem.

## 2. METHOD

In this study, the design used is quantitative research with associative research design which aims to determine the effect between two or more variables [6]. This study was conducted to examine the role of green satisfaction in mediating the effect of green brand image on green brand equity.

The population in this study were all consumers who had used Naavagreen Skincare products. By taking a sample of 104 respondents, according to the considerations according to [7], with a sample size in the range of 100-200 samples for the SEM model. And from the results of the calculation of the number of indicators used multiplied by 5-10 that is 13 x 8 based on the opinion of [7]. By taking samples using the Non Probability Sampling (Purposive Sampling) method, which is a sampling technique with certain considerations [8].

The type of data used in this study is primary data or data obtained directly from the source, namely through a questionnaire given to respondents, and secondary data obtained from other parties as long as the respondent in this right is the company under study, secondary data includes data on the number of visitors. who came and the general description of the company? Meanwhile, the data sources in this research are library research and field research.

The variables of this study consisted of 3 kinds, namely: independent variable, namely green brand image

(X), related variable/dependent variable, namely green brand equity, and mediating variable/intervening variable, namely green satisfaction.

The data analysis technique used in this research is to use data quality test, structural equation model, CFA test, SEM data analysis test, hypothesis testing, and coefficient of determination.

**Table 1** Regression Weight Structural Equation Mode

	Estimate	S.E.	C.R.	P
GBE <--- GBI	0,492	0,124	3,966	***
GS <--- GBI	0,396	0,155	2,548	0,011
GBE <--- GS	0,975	0,261	3,735	***

Source: Primary Data Processed, 2021

**Table 2** Standardized Direct Effect

	GBI	GS	GBE
GS	0,862	0,000	0,000
GBE	0,572	0,000	0,000

Source: Primary Data Processed, 2021

**Table 3** Standardized Indirect Effect

	GBI	GS	GBE
GS	0,000	0,000	0,000
5. GBE	1,253	1,453	0,000

Source: Primary Data Processed, 2021

Based on the table above, it can be seen that:

The initial hypothesis (H1) According to table 1, the influence of green brand image on green brand equity has a CR value of 3.966 with a probability of 0.000, indicating that it is significant. Both values satisfy the H1 acceptance criteria, namely a CR value larger than 1.96 and a probability less than 0.05, thus 0.000. Thus, it can be concluded that green brand image has a positive effect on green brand equity. This is in line with the references to research by [9], [3],[10], [4] which suggest that increasing green brand image can increase green brand equity. Which green brand image is useful for increasing green brand equity?

The second theory (H2) According to table 1, the influence of green brand image on green satisfaction has a CR value of 2.548 and a probability of 0.011, indicating that it is significant. Both results satisfy the acceptance criteria for H2 since the CR of 2.548 is more than 1.96 with a probability of 0.011 less than 0.05. Based on these findings, it is possible to conclude that green brand image influences green satisfaction. In line with the research that has been done [1] The greener the brand image, the higher the satisfaction level of fulfilling pleasant consumption to satisfy customer environmental desires, sustainable expectations, and green needs. Brand image is an important determinant of customer satisfaction. In line with research conducted by [1], [11], [12], [4], which

### 3. RESULT AND DISCUSSION

Testing the 4 hypotheses of this study was carried out with the Critical Ratio (CR) value of the causality relationship from the results of SEM processing as shown in the table 1-3.

prove that green brand image has a positive and significant effect on green satisfaction.

Third hypothesis (H3) Based on table 1 above, it is known that the effect of green satisfaction on green brand equity with a CR value of 3.735 with a probability of 0.000 so it is significant. Both values meet the requirements for H3 to be accepted because the CR is 3.735 greater than 1.96 with a probability of 0.000 less than 0.05. From these results it can be concluded that green satisfaction has an effect on green brand equity. In line with the research that has been done by [13], [14] , [15]. Which proves that green satisfaction has a positive and significant effect on green brand equity.

The fourth hypothesis (H4) is based on tables 2. & 3. It can be seen that the standardized direct effect value of green brand image and green brand equity is 0.572, while the standardized indirect effect of green brand image and green brand equity is 1.253. Thus, it can be said that green satisfaction mediates green brand image on green brand equity. This is in line with the research of [4], [12], [1] which proves that green satisfaction mediates green brand image on green brand equity. Thus, it can be seen that the concept offered was successful, because green satisfaction can mediate the effect of green brand image on green brand equity.

## 6. CONCLUSION

Based on the results of the discussion of research that has been carried out, it can be seen that:

Green brand image has a positive and significant effect on green brand equity, which means that the better the image created in the minds of consumers, the potential for increasing the value of green brand equity for environmentally friendly products will be more positive, especially for beauty products Naavagreen Skincare.

Green brand image has a positive and significant effect on green satisfaction. That is, the better consumer perceptions of the image of environmentally friendly products, the potential for consumer satisfaction with products with environmentally friendly claims will also be higher, and vice versa if consumer perceptions are not good about the image of environmentally friendly products, the potential for consumer satisfaction will also be low. especially in Naavagreen Skincare products.

Green satisfaction has a positive and significant effect on green brand equity. The results of this study indicate that the more satisfied consumers are with the commitment and benefits provided by environmentally friendly products, the potential for positive green brand equity will be higher, and conversely the weaker green satisfaction felt by consumers for environmentally friendly products, the potential for equity to occur. Positive green brands will decrease or green brand equity of environmentally friendly products will tend to lead negatively, especially for Naavagreen Skincare beauty products.

Green satisfaction was able to significantly mediate the relationship between green brand image and green brand equity in Naavagreen Skincare beauty products. The results of the study indicate that the overall green satisfaction felt by consumers will influence and determine whether or not the effect of an environmentally friendly image is effective as evidenced by companies that are able to achieve competitive advantage due to the increased equity of green products related to the green products of the Naavagreen Skincare brand.

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