



The Influence of Green Marketing on Consumer Loyalty in The Organic Food Industry in Palopo City

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Abstract. This study aims to analyze the effect of green marketing on consumer loyalty in the organic food industry in Palopo city. With increasing public awareness of environmental issues, green marketing strategies are increasingly relevant to study. This study used a survey method with a sample of 150 organic food consumers in Palopo. The analysis was conducted using linear regression to test the relationship between green marketing elements, such as environmentally friendly products, prices, and promotions, on consumer loyalty. The results showed that green marketing has a significant influence on consumer loyalty, with green products being the most influential element. This research provides insights for organic food companies to optimize environment-based marketing strategies to increase consumer loyalty and strengthen their position in an increasingly competitive market.

Keywords: Green Marketing, Consumer Loyalty, Organic Food Industry, Environmentally Friendly Products, Price.

1 Introduction

In recent decades, the concern for environmental sustainability has seen a rapid increase, not only among consumers, but also producers. This change is characterized by increased public awareness of the environmental impact of irresponsible consumption and production activities. This phenomenon has given birth to various marketing strategies that focus more on sustainability aspects, one of which is green marketing [1] Green marketing refers to the application of environmentally friendly principles in marketing strategies, from the production process to communication with consumers [2] This concept has become one of the important approaches in the food industry, especially in organic food products that are increasingly in demand by consumers who are aware of the importance of sustainability and health [3].

In Indonesia, the demand for organic food products has also increased, especially in big cities such as Jakarta, Surabaya, and Makassar. However, the market penetration of organic food in small cities such as Palopo is not yet optimal. Palopo city, as one of the cities in South Sulawesi, has considerable market potential to develop into one of the centers of the organic food industry, given the global trend that encourages healthy and environmentally friendly lifestyles. In this context, green

marketing is expected to be an effective strategy to increase consumer loyalty in Palopo city.

Green marketing is believed to not only increase the appeal of a product, but also build a deeper emotional connection between consumers and brands [4]. Consumers who believe that the products they consume support environmental sustainability tend to be more loyal to the product or brand. However, consumer loyalty in the context of green marketing is not only influenced by perceptions of the environment itself, but also by the way companies promote their commitment to the environment and social responsibility.

Although many previous studies have proven the positive influence of green marketing on consumer loyalty, the majority of these studies were conducted in developed countries that have a higher level of environmental awareness and infrastructure that supports environmentally friendly products. However, there is a significant gap in the literature related to how green marketing affects consumer behavior in developing countries such as Indonesia, particularly in small cities such as Palopo city that have different market characteristics and demographics.

This research gap is an important point because, although the concept of green marketing is rapidly growing in developed countries, its implementation in emerging markets is still minimally explored. Factors such as consumer perceptions of green products, affordability, and promotion methods can differ significantly in these markets. Therefore, this study aims to fill this gap by exploring the influence of green marketing elements, such as green products, competitive pricing, and ethical promotion, on consumer loyalty in Palopo city. This research is expected to make an important contribution to the understanding of the application of green marketing in emerging markets, as well as provide more specific insights into marketing strategies that can be adopted by organic food companies in Palopo.

2 Research Gaps

While there are various studies that show the positive influence of green marketing on consumer loyalty in developed countries, there are few studies that explore how this strategy impacts consumers in emerging markets. In addition, few have specifically analyzed the influence of green marketing on consumer loyalty in the organic food industry in small cities like Palopo. The limited literature provides an opportunity for this research to make a significant contribution to the understanding of how green marketing can be effectively implemented in local emerging markets.

3 Research Objectives

This study aims to explore the influence of green marketing elements such as environmentally friendly products, ethical promotions, and competitive prices on consumer loyalty in the organic food industry in Palopo city. By conducting a survey of local consumers, this research is expected to provide practical insights for businesses in designing more effective and sustainable marketing strategies. In

addition, this study also seeks to add to the literature on the relationship between green marketing and consumer loyalty, especially in the context of a growing market like Palopo.

4 Theory Review

Cognitive dissonance theory, introduced by Festinger (1957), explains that individuals experience psychological discomfort when there is a mismatch between their beliefs, attitudes and actions. In the context of green marketing, this dissonance occurs when consumers who have a high awareness of sustainability and the environment, but still buy products that are not environmentally friendly. To reduce the dissonance, consumers tend to look for products that are more in line with their beliefs about sustainability, which in turn encourages loyalty to brands that support these values [4].

Green marketing provides a solution to this dissonance by offering products that match consumers' environmental beliefs. Consumers who believe they have made choices that support sustainability tend to feel more psychologically comfortable and show higher loyalty to brands [4].

Green marketing is a marketing approach that emphasizes concern for the environment, where companies try to reduce negative impacts on the ecosystem. According to [4], green marketing is closely related to green loyalty which is influenced by environmental values, satisfaction, and consumer trust in environmentally friendly products. Meanwhile [1], stated that an effective green marketing strategy involves utilizing authentic and transparent environmental claims so that consumers feel connected to the ethical values carried by the company.

In Indonesia, the green marketing trend is starting to spread to the organic food sector in line with the increasing consumer awareness of a healthy and environmentally friendly lifestyle [6]. In this context, consumer loyalty is one of the main focuses influenced by the acceptance of green marketing strategies, especially in developing areas such as the city of Palopo.

4.1 Consumer Loyalty and its Influencing Factors

Consumer loyalty is consistent repurchase behavior and commitment to a particular brand despite other alternatives in the market. In the organic food industry, consumer loyalty is strongly influenced by perceptions of product quality, satisfaction, and the perception that the company supports sustainable practices [7].

Factors Affecting Consumer Loyalty:

1. Environmentally Friendly Products: consumers who believe that a product has a low environmental impact tend to be more loyal to the brand.
2. Sustainable Promotions and Campaigns: consistent messaging about the company's commitment to environmental sustainability can strengthen consumers' emotional connection with the brand.

3. Premium Price Offered: Environmentally conscious consumers are often willing to pay more for products that are perceived as more ethical and environmentally friendly.

5 Research Methods

This research uses a quantitative approach with a survey method, where data is collected through questionnaires distributed to organic food consumers in Palopo city. The research sample was taken using purposive sampling technique, with the criteria that respondents have knowledge about green marketing and have bought organic food products at least once in the last three months.

6 Data Analysis

Data were analyzed using multiple linear regression to test the relationship between the independent variable (green marketing elements) and the dependent variable (consumer loyalty). Statistical tests were conducted with a significance level of 5% and data processing using statistical software such as SPSS.

7 Results and Discussion

The results of this study show that consumers are more loyal to products that they perceive as supporting environmental sustainability. This phenomenon can be explained through cognitive dissonance theory Festinger, (1957). When environmentally concerned consumers face the choice to buy more expensive but environmentally friendly organic products, they may feel cognitive dissonance if they choose cheaper but environmentally unfriendly products. To reduce this discomfort, they are more likely to buy products that align with their environmental values, even if the price is higher.

This finding is in line with previous research showing that consumers prefer brands that support sustainability as this helps them reduce the dissonance that arises from acting against their beliefs [4]. This strengthens the argument that green marketing strategies not only influence consumer perceptions, but also build loyalty by reducing psychological discomfort due to dissonance.

8 Theoretical and Practical Implications

From a theoretical standpoint, this study reinforces the concept that green marketing can be an effective strategy in building consumer loyalty, especially in the organic food industry. It enriches the literature on the relationship between green marketing and consumer loyalty in the context of developing regions, where the potential of green products is still in its infancy.

Practically, the findings provide insights for organic food industry players in Palopo to further maximize green marketing elements in their campaigns. With

increasing consumer awareness of the environment, companies can increase loyalty through environmentally friendly packaging, transparency in the use of organic ingredients, and promotions that focus on sustainability values.

9 Conclusion

This study aims that green marketing strategies have a significant influence on consumer loyalty in the organic food industry in Palopo city. Of the various green marketing elements tested, environmentally friendly products proved to be the dominant factor influencing consumer loyalty, followed by promotions that focus on ethics and sustainability, and competitive prices that are still considered in accordance with the environmental value offered.

Green products have the greatest impact because consumers feel more psychologically comfortable when the products they consume support environmental sustainability. This is also supported by cognitive dissonance theory, where consumers who care about the environment tend to be more loyal to products that align with their sustainability values.

Overall, green marketing not only attracts new customers but also retains existing customers by building deeper relationships based on environmental values. The implications of these findings are important for businesses to plan strategies that not only target economic aspects, but also sustainability.

The recommendation for businesses in Palopo city is to continue to prioritize environmental values in every aspect of their production and marketing campaigns. Thus, consumer loyalty can be maintained and enhanced amidst increasingly fierce market competition.

Further research is expected to cover a wider area and use more diverse methodological approaches, such as mixed methods, to dig deeper into consumer motivation and behavior related to green marketing.

10 Research Limitations

The limitations of this study include several aspects that need to be considered. First, the limited scope of the study to consumers in Palopo city may be an obstacle in generalizing the findings to other regions in Indonesia that may have different market characteristics. Second, the use of survey method as a data collection tool may potentially cause social bias, where respondents tend to provide answers that are considered socially good, so the results may not fully reflect actual behavior and attitudes. Thirdly, the sample size of 150 respondents, although adequate for statistical analysis, is still relatively small and may not represent overall consumer behavior. In addition, this study is also limited to the use of models and theories that may be more relevant in the context of large cities in developed countries, while their implementation in a small city like Palopo still requires a deeper understanding. It is hoped that these limitations will serve as a foundation for further research involving a wider area of coverage, larger sample size, and more diverse methodological approaches.

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