The Effect of Green Product, Green Price, and Distribution Channel on The Intention to Repurchasing Simple Face Wash

Ella Anastasya Sinambela*, Elok Imroautil Azizah, Arif Rachman Putra

Sunan Giri University Surabaya, Surabaya, Indonesia
Jalan Brigadier General Katamso II, Bandilan, Kedungrejo, Kec. Waru, Sidoarjo Regency, East Java
Correspondence Author Email: easinambela@gmail.com
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1. INTRODUCTION

Technological progress is considered to have a negative impact on the environment. Advances in equipment can facilitate human work have a negative impact on the environment, such as damage to the ozone layer, pollution of the sea, deforestation, and many more. The phenomenon of environmental pollution formed a reaction from several groups of people who began to have an awareness of the importance of environmental conservation for survival (Issalillah, 2021).

Awareness of the environment begins with the emergence of consumer desire to connect with groups that also fight for environmental conditions. According to Laroche et al. (2001) currently consumers are starting to switch to dealing with environmentally friendly organizations. This awareness changes people's behavior in their consumption patterns (Darmawan, 2019). Consumers today prefer to use products that are known to be environmentally friendly (Sinambela et al., 2022). Several companies are currently trying to inform consumers of their products about their concern for the environment with advertising media (Rahbar & Wahid, 2011). One brand that provides environmentally friendly products is Simple.

Simple is a skincare brand that originated in England in 1960. Simple's claim is to always provide products that use natural ingredients that do not harm the environment. Not only the materials used but also the packaging used. Simple, which has a packaging color with a dominance of green, uses packaging that can be recycled.

Simple is not the only brand that promotes eco-friendly products. Besides Simple, there are also The Bodyshop, Oriflame, Sensatia Botanicals, and many more. These companies compete to attract consumers who care about environmentally friendly products (Lu et al., 2013). Not only on sales, the company also implements strategies to increase consumers repurchase intentions.

The intention to repurchase the green product concept is the desire that consumers have to return to consuming green products in the future (Darmawan & Grenier, 2021). Mpinganjira (2014) explains that repurchase intention is the level of consumer need to use the product again. Gee et al (2008) explained that by increasing the repurchase intention of our consumers, it will reduce other costs. One strategy to increase repurchase intention is to introduce green products that are owned (Ali & Ahmad, 2016).

Green product is an environmentally friendly product which can be seen from the material used by the user and the method of manufacture (Mei et al., 2012). Green products do not contain chemicals that can damage the environment (Khayru et al., 2021). Green products are considered to be safe products for humans because they use natural ingredients (Yadav & Pathak, 2016). Consumers prefer green products because of environmental awareness.
In addition, green purchase intentions are also influenced by green prices (Weisstein et al., 2014). Green price is the value to be able to feel the benefits of green products. Company management needs to implement the right pricing strategy to determine the green price (Hashem & Al-Rifai, 2011). Consumers who have high environmental awareness will understand the high green price at the beginning of production (Fan & Zeng, 2011).

The growth of repurchase intentions among consumers is also influenced by distribution channels (Lam et al., 2016). In the green product concept, the company must be able to ensure that the product is distributed properly. In addition, companies also need to ensure that their products are easily found by the public. Shil (2012) explains that companies need to ensure minimal carbon emissions when distributing and selling products.

Keeping customers who have been owned provides benefits for the running of the company. Having consumers who always survive will make the company a superior competitor to other companies. This study aims to determine the effect of green product, green price, and distribution channel on the intention to repurchase Simple face wash.

2. Research Method

2.1 Types of Research and Data Analysis Techniques

This research is a quantitative research. Research data obtained from the distribution of questionnaires to respondents. The study used multiple linear regression analysis techniques. Previously, the data was tested using the validity test, reliability test, and classical assumption test. Testing is done with SPSS.

2.2 Population and Sample

The population of this study are users of Simple face wash. Researchers distributed 150 questionnaires to consumers who had used Simple laundry soap for 3 years. The responses to the questionnaire received by the researcher were 66.67% so that 100 respondents were obtained who became the research sample.

2.3 Operational Definition

a. Green product according to Jaswal (2012) is a product which during the process or use does not have a negative impact on the environment. According to Rath (2013) there are four dimensions to measure green products, namely 1) product composition; 2) form of packaging; 3) the content of the active substance in the product; 4) eco-certification.

b. Green price is the price of a product determined by the company taking into account environmental sustainability (Singh, 2013). There are three dimensions of green price measurement according to Hashem & Al-Rifai, 2011 namely 1) affordable price; 2) price according to benefits; 3) the price includes environmental conservation efforts.

c. Distribution Chanel according to Shil (2012) is a way for companies to be able to distribute green products to consumers by reducing transportation and energy pollution at the point of sale. There are 3 dimensions of distribution channel according to Burt and Carralero (2000), namely 1) can be found in reputable agents; 2) the company ensures that agents also care about the environment; 3) the company always supervises the agency regarding the environment.

d. The repurchase intention according to Khuo et al. (2012) is the desire that arises in consumers to return to consuming green products in the future. Indicators of repurchase intention according to Wen et al. (2011) namely 1) the desire to repurchase; 2) increase the frequency of purchases; 3) the desire to make purchases in large quantities

2.4 Green Product

Green product is a product that all or part of it can be recycled or reused so that it can reduce the negative impact of environmental pollution (Suki, 2016). According to Rath (2013), green products are made using environmentally friendly technology and are not harmful to the environment. Pankaj and Vishal (2014), explained that green products are alternative products that use organic materials, save energy use, eliminate toxic products and reduce pollution and waste. Increasing public awareness for a better environment increases the use of green products (Cheah & Phau, 2011).

2.5. Green Price

Green price is the value given so that consumers can benefit from the green products they get (Eric, 2007). The value in question can be in the form of attractiveness, taste, and function of the green product that is consumed (Sharma, 2011). To set a green price, management needs to consider the company's consequences on the environment (Hashem & Al-Rifai, 2011). Basically the price of green products will be higher in the beginning (Fan & Zeng, 2011). Therefore, management needs to be careful to determine the green price so that consumers receive benefits in accordance with the exchange offered (Shil, 2012). However, for some consumers, green prices are not the main thing because of their awareness of the environment (Solvalier, 2010).

2.6. Distribution Channel
Distribution Channels in the context of green products are a way to deliver products safely without contamination by harmful substances. Distribution Channel is also said to be a method to deliver green products without causing excessive pollution to the environment. (Eric, 2007) explains that consumers care about the company's way of distributing green products in a way that does not damage the environment. Distribution channel for green product is very difficult. The company must ensure that the product is not contaminated with harmful chemicals and does not pollute the environment.

2.7. Repeat Purchase Intention

The intention to repurchase the concept of green products is a desire that arises in consumers to return to using green products in the future (De Toni et al., 2017). The behavior of consumers who have repurchase intentions for green products arises because of a sense of satisfaction when using green products (Michaelidou et al., 2012). The intention to repurchase green products arises from consumer awareness of environmental damage (Paul & Rana, 2012). Consumers also feel that the benefits of green products are higher because they are considered to use chemicals derived from nature (Iosifidi, 2016).

3. RESULTS AND DISCUSSION

Researchers distributed 150 questionnaires to users of Simple brand face wash. The questionnaires that were returned to the researchers were 100 questionnaires. The research respondents consisted of 78 female respondents and 22 male respondents. As many as 48 respondents have sensitive skin types, 27 respondents have oily skin, 23 respondents have normal skin types, and the rest have normal skin types. Of the 100 respondents, 54 respondents were private employees, 28 were entrepreneurs, and the rest were students. The users of the Simple brand of facial soap who became the majority of the research respondents were aged 25-34 years, as many as 42 respondents and the rest were over 45 years old, namely as many as 13 respondents. A total of 82 respondents are college graduates and the rest are high school graduates. On average, respondents have used the Simple brand of face wash for 3 years.

The data obtained from the questionnaire will be tested for quality using a validity test. Testing is done by comparing the corrected item value with a minimum value of 0.3. The results of data processing show that the acquisition value for each statement that represents a green product exceeds 0.3. Thus, the green product statement is declared valid. Furthermore, the statements representing the green price all obtained values above 0.3. Thus, all green price statements are declared valid. The corrected item value for each distribution channel variable gets a value exceeding 0.3. Thus the statement that represents the distribution channel is declared valid. For all statements that represent repurchase intentions, scores exceed 0.3. Thus the statement of repurchase intention is declared valid.

The next stage is reliability testing. The results of the reliability test were carried out using Cronbach's alpha value as the standard of assessment. The rating standard is expected to exceed 0.6. The results of data processing show that the Cronbach's alpha value for the green product is 0.833. For the green price variable, a value of 0.817 is obtained. Furthermore, the value obtained for the distribution channel variable is 0.821. The variable of repurchase intention obtained a value of 0.824. The results obtained indicate that the research data is reliable.

The next step is to perform a normality test. The test is carried out by interpreting the results shown in Figure 1. The graph shows the distribution of the data around the diagonal line. Thus the research data is normally distributed. The next step is multicollinearity test. The test uses the VIF value and the tolerance value as the assessment standard. The results of data processing show that the VIF value obtained on the green product variable is 1.193 with a tolerance value of 0.838. The VIF value for the green price variable is 1.221 with a tolerance value of 0.819. Furthermore, the VIF value of the distribution channel variable is 1.029 with a tolerance value of 0.972. Based on the research results, it is known that the VIF value does not exceed 10 with a tolerance value exceeding 0.1. Thus, the research data does not experience multicollinearity.
Then the autocorrelation test was carried out. The test is carried out using the Durbin Watson value as the test standard. The results of data processing show the DW value of 1.247. Thus the research data does not experience autocorrelation.

Figure 2. Heteroscedasticity Test

The next stage is the heteroscedasticity test. The results of the heteroscedasticity test are presented in Figure 2. The graph shows the data is evenly distributed on the Y axis. The graph also does not show the data forming a certain pattern. Thus the research data proved not to experience heteroscedasticity. Research data that has passed the quality test is then processed by the t test.

Table 1. Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>19.244</td>
</tr>
<tr>
<td></td>
<td>X.1</td>
<td>3.051</td>
</tr>
<tr>
<td></td>
<td>X.2</td>
<td>1.780</td>
</tr>
<tr>
<td></td>
<td>X.3</td>
<td>2.339</td>
</tr>
</tbody>
</table>

The results of the t test show a significant value for green products of 0.000. The results obtained are in accordance with the standard used, which is less than 0.05. Thus, green products are proven to have a significant effect on the formation of repurchase intentions. Furthermore, the significant value for the green price variable is obtained by a value of 0.000. Thus, the green price has been shown to have a significant effect on repurchase intentions. For the significant value obtained, the distribution channel is known to be 0.000. Therefore, it has been proven that repurchase intention is significantly influenced by the distribution channel.

Based on the results shown in the Coefficients table, the regression model obtained is $19.244+3.051X.1+1.780X.2+2.339X.3$. The regression model presented shows repurchase intention worth 19.244 with the condition that the value of the green product, green price, and distribution channel has a zero value.

Table 2. ANOVA F test

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>2830.049</td>
<td>3</td>
<td>943.350</td>
<td>91.573</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>988.951</td>
<td>96</td>
<td>10.302</td>
<td>91.573</td>
<td>.000</td>
</tr>
<tr>
<td>Total</td>
<td>3819.000</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The next process is to do the F test. The results of data processing show the Fcount value of 91.573. The significant results obtained in the F test are known to be 0.000. It has been proven that green product, green price, and distribution channel together have an effect on repurchase intention.

Table 3. Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.861</td>
<td>.741</td>
<td>.733</td>
<td>3.210</td>
<td>1.247</td>
</tr>
</tbody>
</table>

Furthermore, the coefficient of determination is tested. The results of the coefficient of determination test showed an R value of 0.861. The results obtained indicate a strong relationship between research variables. Furthermore, the value of R Square obtained is 0.741 and the value of Adjusted R Square is 0.733. Thus, the green product, green price, and channel distribution contributed 73.3% to the formation of repurchase intentions. For 26.7% is the role of other variables that affect repurchase intention but not included in the current study.

The results showed that green products had a significant effect on repurchase intention behavior. The results obtained strengthen the findings of Ali and Ahmad (2016); Juniors (2015); Karunarathn et al. (2020) which shows that green products affect the repurchase intention perceived by consumers. Currently, many consumers already know the environmental problems that occur today. This awareness makes consumers choose green products for consumption.
because they are considered safer and can preserve the environment. Green products are considered to be able to maintain health because the process is natural and the content in the product does not interfere with health. Company management can improve green products by providing information about green products in advertisements or product packaging (Djaelani, 2021).

The results showed that the green price had a significant effect on repurchase intention. The results of the study are in accordance with the findings of D’Souza (2007); Weisstein et al. (2014); Ankit and Mayur (2013) who explain that the price of green products will affect consumers’ repurchase intentions. Pricing is done by considering the impact of the product on the environment. Generally, green prices are higher than products that are not environmentally friendly. Some consumers who are environmentally conscious do not pay attention to green prices. Consumers feel they are contributing to the environment by accepting a green price.

The results show that the distribution channel has an influence on consumers’ repurchase intentions. The results obtained are in line with research conducted by Gordon and Modi (2015) and Lam et al. (2016). Companies need to ensure that green products are distributed safely and are not contaminated with harmful toxins. The agency environment also needs to be a concern for the company. In addition, the way to distribute green products is also done by taking into account the pollution that can arise.

Research shows that green product, green price, and distribution channel have a significant effect on the formation of repurchase intention. To increase consumer repurchase intentions, management needs to increase green products, establish appropriate green prices, and pay attention to the distribution channels of their products.

4. CONCLUSION

Based on the results obtained, it can be concluded that green products have a significant effect on the formation of repurchase intentions. Furthermore, the green price has also been shown to have a significant effect on the formation of repurchase intentions. The results also show that the formation of repurchase intentions is also influenced by the distribution channel. Companies need to inform their green products in advertising media. In addition, the company needs to explain to consumers that the company cares about the wishes of consumers, namely protecting the environment. The company is also expected to use more environmentally friendly methods when distributing goods to consumers, such as not using excessive lights in shop windows.

REFERENCES


