

The Impact of Green Products, Green Advertising, And Green Branding on The Purchasing Decisions of Ades Bottled Water Among Residents of Bekala Village

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Abstract

This study aims to examine the impact of Green Product, Green Brand, and Green Advertising on the purchasing decisions of Ades bottled water among residents of Kwala Bekala Village. This research employs a quantitative approach. The sample consists of 97 respondents, selected using Simple Random Sampling. Primary data were collected through a questionnaire with a Likert scale for measurement. The data analysis technique used in this study is multiple linear regression analysis. The results indicate that the variables Green Product, Green Brand, and Green Advertising, taken together, have a positive and significant impact on consumer purchase interest in Ades bottled water among residents of Kwala Bekala Village. However, individually, Green Brand has a positive and significant effect on purchasing decisions, whereas Green Product and Green Advertising do not show a positive and significant effect on purchasing decisions. This study provides theoretical implications as a reference for future research related to Green Product, Green Brand, and Green Advertising in consumer purchasing decisions, particularly for Ades bottled water.

Keywords: Green Product, Green Advertising, Green Brand, Purchase Decision

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Introduction

The intensification of the global warming issue has led many industry players, both in the food and beverage sectors, to shift towards environmentally friendly products. As we know, environmental pollution is a significant challenge to address, with plastic waste being the largest contributor. Moreover, the use of plastic in daily life is unavoidable.

According to Abdallah (2016), Indonesia ranks second in the world for plastic waste entering the oceans, amounting to 187.2 million tons, following China, which has 262.9 million tons (www.cnnIndonesia.com). In response, the government has implemented measures by introducing additional costs. Ridwan et al. (2018) state that a Green Product, also known as an environmentally friendly product, is designed and processed in a way that reduces environmental impacts during its production, distribution, and consumption stages. Besides Green Product, other factors influencing purchasing decisions include Green Advertising and Green Brand.

According to Ridwan (2018), a well-communicated Green Advertising strategy helps businesses effectively stimulate a Green Brand in the minds of consumers, creating a perception of a green product that does not have negative consequences for individuals or the surrounding environment. Huang et al. (2014) describe a Green Brand as a communication tool that provides information about the brand and the unique benefits of the product, particularly in reducing environmental impact, and highlights the product's eco-friendly attributes. Knowledge of eco-friendly brands offers consumers information about the unique attributes of a brand and its environmental benefits (Shidiq & Widodo, 2018). The presence of a Green Brand is expected to provide product information and influence purchasing decisions.

In Indonesia, the total consumption of bottled mineral water (AMDK) continues to rise each year. The Indonesian Consumers Foundation (YLKI) reports a yearly increase in AMDK consumption of around 10%. Currently, the total consumption of AMDK has reached 30.87 billion liters per year (Marketeers.com, 2020). Consumption of AMDK is expected to keep rising in the coming years due to the growing population and increased public awareness about drinking high-quality water. A 2019 digital survey by Transvision Indonesia, covering 1,500 AMDK brands, identified the top five brands: Aqua, Vit, Cleo, Club, and Ades. This finding is consistent with Nielsen's survey from the previous year, 2018, which also highlighted the most consumed AMDK brands in Indonesia.

Table 1. Categories of Best-Selling Bottled Water at Swalayan Mandiri Years 2020 – 2022

Brand	2020	2021	2022	Categories
AQUA	75.9%	73.4%	73.3%	TOP
VIT	2.6%	5.5%	6.1%	
Club	5.0%	3.4%	4.5%	
Ade	2.6%	3.4%	4.1%	
s				

Source: AC Nielsen 2018

The data above indicates that Ades bottled water has ranked 4th among the best-selling bottled water brands over the past three years (2020-2022), compared to other brands. From 2020 to 2022, Ades has experienced a decline in percentage. Ades' percentage as the 4th top brand over these three years is significantly lower compared to other brands, with 2.6% in 2020, 3.4% in 2021, and 4.1% in 2022.

Based on the above information, a study was conducted to determine the factors influencing consumers' decisions to purchase Ades products. The study focuses on the variables Green

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Product, Green Advertising, and Green Brand because these variables are suspected to have a significant impact on purchasing decisions

Research Methods

The method used in this study is a quantitative approach with a descriptive design. Quantitative research refers to research that emphasizes a clear plan and a systematic process from the beginning to the research design. This study employs a quantitative approach with a descriptive design. Descriptive research is aimed at examining the facts and attributes of a specific object in a structured and effective manner (Sugiyono, 2019). The research was conducted at the University of Muhammadiyah Sumatera Utara, Medan, from April 2023 to June 2024. The population for this study is the residents of Kwala Bekala Village, and the sample consists of 97 individuals, determined using Slovin's formula.

Data collection was carried out through questionnaires with a Likert scale. Data analysis techniques include data quality tests such as validity and reliability tests, classical assumption tests including normality, multicollinearity, and heteroscedasticity tests, and multiple regression analysis. Hypothesis testing involves t-tests and F-tests, as well as the Coefficient of Determination (R^2) test.

Results

Multiple Linear Regression Test Results

The results are as follows:

Table 2. Results of Multiple Linear Regression Test

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	8,425	2,018		4,174	0,000		
	Green Product	0,206	0,163	0,192	1,270	0,207	0,306	3,266
	Green Advertising	0,002	0,214	0,001	0,010	0,992	0,307	3,255
	Green Brand	0,458	0,089	0,480	5,124	0,000	0,798	1,253
a. Dependent Variable: Purchase Decision								

Source: SPSS Version 23 Data, 2023 (Processed Data)

Based on Table 2 above, the following equation can be derived:

$$Y = 8,425 + 0,206X_1 + 0,002X_2 + 0,458X_3 + e$$

From the regression equation above, the following conclusions can be drawn:

1. The constant (α) of 8.425 indicates that if Green Product, Green Advertising, and Green Brand are considered to be 0, then the purchasing decision for Ades bottled water would be 8.425%.

2. The regression coefficient for Green Product is 0.206, which indicates a positive direct relationship. This means that if Green Product increases by 2%, the Green Product variable will increase by 0.206%.
3. The regression coefficient for Green Advertising is 0.002, showing a positive direct relationship. This implies that if Green Advertising increases by 1%, the Green Advertising variable will increase by 0.002%.
4. The regression coefficient for Green Brand is 0.458, indicating a positive direct relationship. This suggests that if Green Brand increases by 4%, the Green Brand variable will increase by 0.458%.

Determination Coefficient Test Results (R^2)

The results can be seen in the following table:

Table 3. Determination Test Results

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.590 ^a	0,348	0,327	1,763
a. Predictors: (Constant), Green Brand, Green Advertising, Green Product				
b. Dependent Variable: Keputusan Pembelian				

Source: SPSS Version 23 Data, 2023 (Processed Data)

Based on Table 3 above, it can be concluded that the Adjusted R Square value in this study is 0.327, or 32.7%, which indicates that the ability of Green Product, Green Advertising, and Green Brand to explain their impact on purchase interest is 32.7%. The remaining 67.3% is influenced by variables not examined in this study.

Impact of Green Product on Purchasing Decisions

Based on field data and the results of the t-test analysis conducted, it is found that Green Product does not have a positive and significant effect on purchasing decisions. This is evidenced by the t-value being less than the t-table value, specifically $1.270 < 1.985$, and a significance value of $0.207 > 0.05$. The indicators for X1 do not strengthen the notion that purchasing decisions are influenced by Green Product. The findings suggest that the presence of a Green Product is not a significant supporting factor for consumers in purchasing eco-label products.

This finding is inconsistent with the research conducted by Azalia (2021), which states that Green Product has a positive and significant impact on purchasing decisions.

Impact of Green Advertising on Purchasing Decisions

Based on field data and the results of the t-test analysis conducted, it is found that Green Advertising does not have a positive and significant effect on purchasing decisions. This is evidenced by the t-value being less than the t-table value, specifically $0.010 < 1.985$, and a significance value of $0.992 > 0.05$. This result indicates that green advertising is not a major factor for consumers in their decision-making process.

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In this case, Ades product advertising focuses more on events and collaborations with other businesses, such as campaigns through events organized by Ades. Therefore, the use of green advertising for Ades is less compared to other products that use television and other media for advertising. This results in lower consumer awareness of Ades as an eco-friendly mineral water brand.

As a result, fewer consumers are making purchasing decisions for Ades products. This finding is inconsistent with previous research by Rahmania et al. (2020), which showed that green advertising has a positive and significant impact on purchasing decisions

Impact of Green Brand on Purchasing Decisions

Based on field data and the results of the t-test analysis conducted, it is found that Green Brand has a positive and significant effect on purchasing decisions. This is evidenced by the t-value being greater than the t-table value, specifically $5.124 > 1.985$, and a significance value of $0.000 < 0.05$.

This indicates that as the quality of the Green Brand improves, the purchasing decision for the product also increases. The results of this study show that Green Awareness, Green Trust, and Green Satisfaction associated with bottled water products can drive purchasing decisions. This is because consumers perceive these bottled water products as an eco-friendly Green Brand.

This finding is consistent with the research conducted by Rohmatullah (2020), which states that Green Brand has a positive and significant impact on purchasing decisions.

Impact of Green Product, Green Advertising, and Green Brand on Purchasing Decisions

Based on the results of the simultaneous (F) test analysis, it can be concluded that Green Product, Green Advertising, and Green Brand have a positive and significant impact on purchasing decisions when considered together. Furthermore, the coefficient of determination calculation shows that Green Product, Green Advertising, and Green Brand collectively explain 32.7% of the variation in purchase interest, while the remaining 67.3% is influenced by other variables.

The results of this test indicate that the combined variables of Green Product, Green Advertising, and Green Brand contribute to purchasing decisions. This suggests that if Ades focuses more on these three variables—Green Product, Green Advertising, and Green Brand as promotional media—it could enhance purchasing decisions for Ades products.

Conclusion

Based on the research results and the discussion regarding the simultaneous effects of Green Product, Green Advertising, and Green Brand on the purchasing decisions of Ades products among residents of Kwala Bekala Village, the following conclusions can be drawn:

1. **Individually**, Green Product does not have a positive and significant impact on the purchasing decisions for Ades products.

2. **Individually**, Green Advertising does not have a positive and significant impact on the purchasing decisions for ADES products.
3. **Individually**, Green Brand has a positive and significant impact on the purchasing decisions for ADES products.

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