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CUSTOMER GREEN AWARENESS AND ECO-LABEL FOR ORGANIC PRODUCTS

Doni Purnama Alamsyah (Universitas BSI)
Oda I. B. Hariyanto (Univeritas Internasional Batam)
Heni Rohaeni (Universitas BSI)

Email: doni.purnama.alamsyah@gmail.com

Abstract—Nowadays, it is important to review about customer behavior in environmentally friendly products that relate to green consumerism; so the aim of this study is reviewing the correlation of eco-label implementation as green product attributes on customer behavior of green awareness. There are 100 customers retail in Bandung City who become research sample, with data analysis through factor analysis, correlation, and also hypothesis test. The research result is found that customer's knowledge on eco-label of a green product is still low, and it has not cared for the originality of eco-label which spreads to the green product. It causes there is no influence of eco-label in improving customer green awareness. Eco-label does not become an important part of a customer in selecting an environmentally friendly product. So the government's and retail's role are needed in educating the customer to comprehend eco-label on the environmentally friendly product, like understanding to a halal label. Remember that eco-label is a symbol differs between green products and conventional products.

Keywords: Green Awareness, Eco-Label, Green Products. **Introduction**

I. INTRODUCTION

Every product has label indicates the product category as the organic label or it is commonly called eco-label (Atănăsoaie, 2013). Eco-label is put on organic products like organic vegetable products as one of product characteristic which is free from chemical substances and it is healthy to be consumed (Rashid, 2009) (Tung, Wei, & Chen, 2012). Installation of eco-label on vegetable products will not be conducted if it does not get permission from the government institution (Mayrowani, 2012). It becomes one of the indicators from the expensive of organic vegetable products compared than conventional vegetable products, because of maintaining cost and production cost of organic products (Astuti, Meliala, Dalais, & Wahlqvist, 2000). At one attribute side of eco-label provides the premium impression on the product (Fuerst & Shimizu, 2016), but in the other side there is sacrifice must be issued by the customer when they have eco-label; it is the expensive price (Shewmake, Okrent, Thabrew, & Vandenbergh, 2015). So the

marketer of organic vegetable products, in this case, is Supermarket, assumed to need to do marketing strategy in order to organic vegetable products can be selected by the customer. Therefore, in Indonesia particularly in West Java, customer attention on organic products is still low (Alamsyah, Trijumansyah, & Hariyanto, 2017). It is assessed by the selection of conventional vegetable products are more dominated than organic products (Alamsyah & Syarifuddin, 2018).

The selection of environmentally friendly products from customer to organic products is not truly separated from customer green awareness (Mourad, Serag, & Ahmed, 2012). The higher of green awareness value grows in the customer itself, so the easier marketer offers to environmentally friendly products (Wu & Chen, 2014). Remember that customer's demand has been changed recently related to life environmental issue (Rahim, Zukni, Ahmad, & Lyndon, 2012). It leads to the changing of customer lifestyle and the pattern of customer consumption on environmentally friendly products (Jain & Kaur, 2004). Those cases form a new lifestyle and it is called a healthy lifestyle. Lifestyle reflects the pattern of customer consumption. Therefore, a healthy lifestyle makes society to consume healthy foods like organic foods that are intended to many people; the most favorite of organic foods is organic vegetables (Othman & Rahman, 2014). However, customer attention on organic products especially in West Java is still less (Alamsyah & Syarifuddin, 2018), it becomes an evaluation of attribute from organic vegetable products that one of them is eco-label.

Reviewing from the phenomenon on organic vegetable products of eco-label, so it is conducted the study with focuses on reviewing the impact of eco-label to customer green awareness. Remember that the importance of customer green awareness on customer behavior towards environmentally friendly products. The study of eco-label on the environmentally friendly product is important to be done, as a barometer in measuring the success of innovation product creation which is the environmentally friendly product and it becomes important information for the marketer in evaluating the development of an environmentally friendly product.

II. LITERATURE REVIEW

A. Eco-Label of Green Products

The program of eco-label is one of the ways of government to improve environmental quality from the production and consumption side of a product (Mayrowani, 2012). The existence of eco-label repairs and improve the image of the environmentally friendly product that is affordable to be consumed (Triguero, Moreno-Mondéjar, & Davia, 2013), also to improve the environmental effort to be more healthy (Atănăsoaie, 2013). Eco-label is an award in form of symbol, mark or label to product or service which is in its life cycle starting from the procurement of raw materials, production process, distribution, the use, and disposal after use will give the environmental impact that is more relative smaller compared than the similar other products (Fuerst & Shimizu, 2016; Rashid, 2009). The benefit of eco-label is the fulfillment towards market demand, Open market chance, Improve company image, the Approach of pro-activeness with the anticipation of market trend potential and Encourage industry innovation that is environmental sound (Fuerst & Shimizu, 2016). An organic product that is eco-label certificated has an effort in the production process, it gives the reason for a price that is more expensive than the conventional product (Tung et al., 2012). Remember eco-label is an indicator of the friendly product consumed on the environment and the human body (Grunert, Hieke, & Wills, 2014). Many eco-label with various names for organic products like "environment-friendly", "free pesticide", "organic", "recyclable", and "freshness" (Rashid, 2009). However those all labels are not fully can be trusted that they have passed the production process of the environmentally friendly product. In Indonesia, organic vegetables are known as "Organic Indonesia" as eco-label; for organic products (Alamsyah et al., 2017). That label is an identifier official of environmentally friendly products and it can be accounted (Rashid, 2009).

B. Customer Green Awareness

Green awareness can change customer behavior in many ways, such as in consumption pattern (Durif, By, & Boivin, 2012), preference level on environmentally friendly product (Trujillo, Arroyo, & Carrete, 2014), select product that has friendly level to environment or it becomes active customer in campaigning the importance of environmentally friendly products (Rahmi, Rozalia, Chan, Anira, & Lita, 2017). This action is needed by the company to be learned further and it is appropriated with the pro marketing strategy to green awareness behavior (Mourad et al., 2012). However, giving information that impacts to green awareness is not easy, it needs to proof from the information stated by a marketer that is assessed by customer (Rizwan, Mahmood, Siddiqui, & Tahir, 2014). Eco-label becomes one of the efforts in

providing proof that the product delivered by the marketer is environmentally friendly products (Rashid, 2009). So it will improve customer green awareness on organic products that has eco-label (Mayrowani, 2012). Finally, green awareness is important to be improved, remember that the impact of customer purchasing behavior and customer trust for the product offered by the company (Anderson, Kusters, McCarthy, & Obidzinski, 2016). Many efforts conducted by a marketer for organic products like organic vegetables in Indonesia, with the final purpose is the improvement of customer green awareness and company image as a company which is caring to the environment (Rahmi et al., 2017). It identifies the importance of customer green awareness of environmentally friendly products. For green awareness can be assessed from knowledge behavior of environment which is the effort, label, slogan, symbol, and brand (Rizwan et al., 2014) and also concerns [22].

C. Research Framework

This study focused on the correlation of eco-label to customer green awareness. In the previous research, it had been known that customer green awareness of product could be improved through eco-label attributes (Mayrowani, 2012). However, the phenomenon of the customer in Indonesia explained that there was still low attention on eco-label. Reviewing from the research framework of eco-label and customer green awareness here was stated the hypothesis test framework.

Hypothesis: Eco-label on green products can improve customer green awareness.

III. METHODS

This experimental study was conducted to the customer at the Supermarket in West Java that had experienced in purchasing of organic vegetable products as one of the products that had eco-label. As much as 100 respondents were asked the information about eco-label and green awareness through questionnaire quantitatively. Data were analyzed through factor analysis and correlation with simple linear regression technique. The questionnaire was formed based on the indicator of each variable; for eco-label was measured through recognition, the use, understanding, and trust from eco-label on organic vegetable products. Eco-label is an attribute for eco-friendly products. Meanwhile, green awareness is a customer preference for eco-friendly products. For green awareness can be assessed from knowledge behavior of environment which is the effort, label, slogan, symbol, and brand (Rizwan et al., 2014) and also concerns [22]. The dimension of a variable was simply conducted by hypothesis test which was there is a positive correlation of eco-label with the improvement of customer green awareness on organic products. Here was the research model tested (Figure 1).

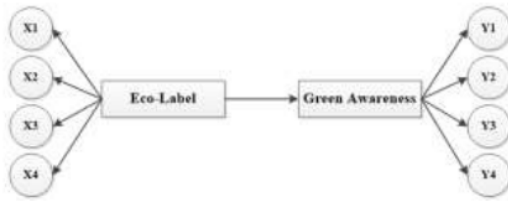


Fig. 1. Hypothesis Model

IV. RESULTS AND DISCUSSION

From respondent data is obtained by a questionnaire about 100, then it is processed by statistical data processing tools to see loading factors value and coefficient value of eco-label and green awareness. The initial findings are stated that most customers do not know clearly about eco-label that is issued officially by the government. It does not surely support customer behavior on environmentally friendly products. Then, before it is implemented regression analysis to assess the correlation values and hypothesis test, it has validity and reliability test. The result found that Table 1 explains all of the measurements are assessed to be valid and reliable, remember the value of Pearson Correlation > 0.6 and Cronbach's Alpha > 0.7.

TABLE 1. VALIDITY AND RELIABILITY TEST

Variables	Indicators	Pearson Correlation	Cronbach's Alpha
Eco-Label	Recognition	0.651	0.734
	The Use	0.676	
	Understanding	0.716	
	Trust	0.654	
Green Awareness	Effort	0.649	0.723
	Label	0.673	
	Slogan	0.632	
	Symbol	0.772	
	Brand	0.651	



Fig. 2. Loading Factor Values

The first result assessed is related to eco-label, in which the measurement for eco-label is formed from recognition, the use, understanding, and trust from eco-label on the organic product as an environmentally friendly product at Supermarket. The second result is seen from the value for the measurement of green awareness variable, where the dimension used is factor analysis result with the loading factor value is stated on Figure 2 and coefficient value is on Table 2. Reviewed from the value of loading factors, it is known for the importance level on eco-label that there are two highest

values, recognition (X1) and understanding (X3). While for loading factor value of the highest former of green awareness is on effort (Y1), slogan (Y3) and symbol (Y4). Loading factors value explains the indicator that needs to get attention more because it can improve the performance of variable which is eco-label and green awareness behavior.

TABLE 2. COEFFICIENT VALUES

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.216 ^a	.047	.037	4.43374	1.289

Based on Table 2 is known that the correlation of eco-label to green awareness is 0.216 which explains the weak relationship between two variables. Next, it is known that the hypothesis test with t-value is 1.93 explains that there is no significant correlation of eco-label with green awareness. It explains that eco-label cannot improve customer green awareness significantly.

A. Eco-Label Value of Environmentally Friendly Product

The research finding is known that eco-label can be formed optimally from recognition and understanding for a label on environmentally friendly product (Rahmi et al., 2017; Rashid, 2009; Rizwan et al., 2014). It explains that recognition from the customer for the existence of organic product label and understanding for the right label becomes the major point that determines good or bad for the value of eco-label. This finding actually becomes the important information for the marketer in considering marketing strategy using an attribute of product which is eco-label, where it needs to put forward the impact for recognition and understanding of product label. It is the same with green awareness, where it needs to be attention is about effort, slogan, and symbol. Effort relates to the more effort of the customer in searching and consuming is only on environmentally friendly product (Anderson et al., 2016). Slogan relates to customer behavior that is understanding with all of the campaigns for the environmentally friendly product (Safari, Salehzadeh, Panahi, & Abolghasemian, 2018). Through those three understandings, customer behavior for green awareness is surely better.

In understanding customer behavior for the environmentally friendly product through green awareness, theoretically, it is stated that it can be conducted by the understanding of eco-label (Rashid, 2009). However, in a study, it seems that eco-label cannot improve optimally to green awareness. It seems from the coefficient value is only 0.216 or it is stated to be weak of relation. So it can be stated that eco-label on the environmentally friendly product cannot give the improvement to customer behavior for green awareness. The main things cause not optimally impact

of eco-label from green awareness is because many labels of an environmentally friendly product even though it is not the official label, and it is too easy to believe in the customer for label assessed. And also the weak of socialization from a seller to the customer for product attributes. This finding becomes input for marketers and supermarket in order to be more focus on education for the official environmental friendly product label. With the purpose, it can improve understanding and customer's recognition for eco-label and it improves customer's interest in doing the selection of environmentally friendly product through green awareness development.

V. CONCLUSION

The study discusses the impact of eco-label on green awareness; discussion result is found that the value of eco-label for environmentally friendly products is not truly considered to be important by the customer so it does not impact to the behavior of customer green awareness. Eco-label has not been considered as a mandatory label that will be consumed by the customer as a halal label assessed by a customer who is a Muslim. Surely, eco-label is not easy to be gained by marketer; it needs additional cost to get eco-label certification on its products. Through this research finding, it becomes description itself for a marketer in assessing eco-label and it provides education to the customer for eco-label based on the government's advice. Most of them influence customer's understanding of the attribute of an environmentally friendly product so it needs to be evaluated more about the case that can improve customer's understanding of eco-label. Limitation of this study becomes the next research suggestion to review factors that can improve understanding of eco-label in order to improve the behavior of customer green awareness.

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