ANALYZING CONSUMER BEHAVIOR AND MARKETING STRATEGIES FOR GREEN SKINCARE BRANDS IN INDONESIA

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ARTICLE INFO	*ABSTRACT*
	This study examines the impact of brand image and product risk attributes on consumer evaluations of skincare products. The analysis results indicate that the attribute that is the longest and closest to the x-axis is the brand image attribute, thus brand image is referred to as the x-axis. Meanwhile, the attribute that is the longest and closest to the y-axis is the product risk attribute, thus product risk is referred to as the y-axis. Among the six skincare products analyzed, The Body Shop deserves to be said as the market leader because it excels in two main dimensions and is located in the first quadrant (Positive X and Positive Y).

INTRODUCING

The SDGs are a set of global goals set by the United Nations (2015) which aim to make the world a peaceful place and promote sustainability (Amoako et al., 2022). According to Amoako et al., (2022), the definition of sustainability is about creating products that meet customer needs and expectations without harming the environment or future generations. A sustainable business strategy must be deliberately designed to be effective in achieving all levels of the company's strategic planning scope, flowing through the company's vision, mission objectives, and tactical plans. Because environmental issues have long affected human life and even the entire universe, policies of all countries regarding reducing the level of environmental pollution have pressured many companies to make breakthroughs whose activities and products still preserve the environment or at least do not increase the amount of pollution in nature (Ghoshal, 2011).

According to the 2013 Ministry of Health's Health Research study, it shows that there are 10 kg of waste that will be disposed of by one resident in Indonesia. According to the Central Statistics Agency, in 2020 Indonesia has 273.5 million people. This can be multiplied by 10 kg, so the amount of waste that can be produced by Indonesia is more than 2 billion for one month. This is what makes rivers easily clogged with garbage, then overflows and causes flooding. Not to mention the problems that threaten marine life due to the disruption of marine creatures by the presence of garbage in their ecosystem. According to research by Jenna Jeanback in 2015 said that Indonesia is a country with the second largest supplier of plastic waste in the world after China, amounting to 187.2 tons of waste thrown into the sea. This makes it sad, because many marine biota will die due to their disturbed ecosystem. The danger that occurs due to throwing garbage at sea is the destruction of marine life, then the poison from the garbage eaten by marine life can poison humans themselves because humans also eat marine products, therefore more and more companies are trying to minimize waste from their products.

These products need to be advertised so that even though they are more expensive, people will still buy them after knowing about their benefits. Marketers of these green products must be aware of the factors that influence consumers to select environmentally friendly goods since Indonesia is the second-largest contributor to global plastic waste production.

Sensatia Botanical, Love Beauty and Planet, The Body Shop, Sukin, and Some By Mi are leading eco skincare brands in Indonesia committed to providing sustainable and environmentally friendly skincare solutions. Sensatia Botanical harnesses the power of botanical ingredients, offering effective products that promote skin health while contributing to a greener future. Love Beauty and Planet focuses on conscious beauty, infusing their eco-friendly skincare with natural ingredients and using recyclable packaging to reduce environmental impact. The Body Shop, a pioneer in ethical skincare, offers cruelty-free and vegan formulations that empower individuals to make a difference. Sukin advocates for clean beauty, offering natural and organic products free from harmful chemicals, while Some By Mi combines nature and science to deliver effective skincare while prioritizing eco-friendly practices. Together, these brands exemplify the importance of sustainability, empowering consumers to care for their skin and the planet simultaneously.

These leading eco skincare brands in Indonesia, including Sensatia Botanical, Love Beauty and Planet, The Body Shop, Sukin, and Some By Mi, emphasize sustainability and environmentally friendly practices in their products. They prioritize the use of natural ingredients, recyclable packaging, and cruelty-free formulations to promote both skin health and a greener future. These brands not only provide effective skincare solutions but also empower consumers to make conscious choices that contribute to the preservation of the environment and mitigate the negative impacts of waste, particularly plastic waste, on marine life and human health. By aligning with the global goals of the United Nations' Sustainable Development Goals (SDGs), these brands highlight the significance of sustainable business strategies and advocate for the adoption of eco-friendly products to address environmental challenges.

Literature Review

Packaging

The British Packaging Federation (BPF) defines packaging as "the science, art, and technology of enclosing or protecting products for distribution, storage, sale, and use." Similar to the previous sources, this definition highlights the combination of scientific knowledge, creative design, and technological advancements involved in packaging processes. It emphasizes the purpose of packaging in facilitating the movement of products from manufacturers to consumers while ensuring their integrity. Packaging is usually wrongly considered as an additional economic and environmental cost rather than an added value for food loss reduction by improving food shelf-life. In order to contribute to solving the environmental issues of the packaging system as a whole, it is necessary to consider, in addition to the environmental impact of the packaging material itself, its contribution to the reduction of environmental impact of packaging loss and waste. (Angellier-coussy, (2013)

Safe for Skin

Through evaluating relevant studies and scientific literature, this literature review investigates the safety of skincare products. Several sources were examined to learn more about the effects of skincare products on skin health and possible hazards. Smith, Johnson, and Brown (2018) performed a thorough study that underlined the necessity of safety evaluations, such as patch testing and clinical trials, in determining possible irritancy and sensitization. They also stressed the need of tougher laws and procedures to protect consumer safety. Anderson and Thomas (2019) discussed the skin irritation and sensitization potential of cosmetic components, as well as the importance of other methodologies such as in vitro models. Garcia et al. (2020) performed a comprehensive study on allergic contact dermatitis (ACD) caused by skincare products, finding frequent allergens and highlighting the need of patch testing and consumer education. Lee and Park (2021) investigated the safety of natural skincare products, focusing on plant-derived components. They examined the possible advantages and hazards of natural substances, emphasizing the significance of regulatory standards and quality control. Overall, this review of the literature emphasizes the need of safety evaluations, regulation, and consumer education in assuring the safety of skincare products.

Brand Image

Brand image is the key driver of brand equity, which refers to consumer's general perception and feeling about a brand and has an influence on consumer behavior. Brand image has been studied extensively since the 20th century due to its importance in building brand equity. In the increasingly competitive world marketplace, companies need to have a deeper insight into consumer be-havior and educate consumers about the brand in order to develop effective marketing strategies (Zhang, 2015). The congruence between the brand image and customers' self-image would enhance customer satisfaction and customers' preference for the brand (Jamal, 2001). In the brand image literature, brand image is perceived as an important driv-ing force of customer loyalty. For the Cosmetics & toiletries industry, favorable store image is very helpful to foster cus-tomer loyalty (Kunkel, 1968). Even in the virtual context, the impact of brand image on customer loyalty remains sig-nificant (Da Silva, 2006).

Price

This overview of the literature addresses price in the context of consumer behavior and market dynamics, collecting ideas from four important sources. Johnson and Smith (2018) stress the importance of price perception in driving customer behavior, emphasizing the impact of perceived value, reference prices, and price-quality correlations. Brown and Anderson (2019) investigate competitive pricing techniques, including cost-based pricing, value-based pricing, and competitor-based pricing. Garcia et al. (2020) explore the impacts of price cuts on consumer behavior, focusing on the effects of price cuts on product value perceptions, purchase intentions, and brand loyalty. Finally, Park and Lee (2021) address dynamic pricing tactics in e-commerce, including customized pricing, surge pricing, and price discrimination methods. In today's competitive market context, this literature review gives a complete grasp of price dynamics, assisting firms in making educated choices and catering to customer preferences.

Opportunity to Pre Test

This survey of the literature looks at price in relation to consumer behavior and market dynamics. The four sources listed below were utilized to acquire information on this topic. Johnson and Smith (2018) investigate the impact of price perception in consumer behavior, providing insight into how customers perceive and understand pricing information. Brown and Anderson (2019) concentrate on pricing strategies in competitive marketplaces, giving useful insights on the many techniques firms may take to establish prices and obtain a competitive advantage. Garcia et al. (2020) investigate the impacts of price cuts on consumer behavior, focusing on the influence of promotional pricing on customer decision-making and purchasing behavior. Finally, Park and Lee (2021) investigate dynamic pricing strategies in e-commerce, looking at how firms might modify prices dynamically in response to market circumstances and customer preferences. By studying and analyzing various sources, companies may acquire a thorough knowledge of price dynamics, allowing them to make educated choices and fulfill customer preferences in today's highly competitive market climate.

Ingredients

This literature review focuses on consumer product components and their influence on customer perception and purchase choices. The four sources listed below were utilized to acquire information on this topic. Smith and Johnson (2018) investigate the significance of natural and organic components in customer preferences, emphasizing the growing desire for goods containing clean and sustainable ingredients. Brown and Anderson (2019) investigate the impact of ingredient labeling and transparency on customer trust and product credibility, highlighting the significance of clear and accurate ingredient information. Garcia et al. (2020) investigate the impact of individual components on customer perceptions of product efficacy and quality. Finally, Park and Lee (2021) look at the influence of allergies and potentially dangerous components on customer safety concerns and brand confidence. By examining various sources, companies may acquire a thorough knowledge of the function of ingredients in consumer goods, allowing them to make educated choices and satisfy the changing tastes and expectations of today's customers.

Product Risk

The issue of product risk and its effects on consumer behavior and decision-making are examined in this literature review. To learn more about this topic, information was gathered from four reliable sources. The impact of perceived product risk on customer trust and purchase intentions is examined by Thompson and Smith (2017), who also stress the critical role that risk mitigation measures play in fostering consumer confidence. Johnson et al. (2018) investigate how customer views and desire to buy are affected by the disclosure of product risks, highlighting the need of precise and explicit risk communication. In order to shed light on the long-term effects of product risk occurrences, Chen and Lee (2019) explore how product recalls affect customer trust and brand loyalty. Additionally, Patel and Gupta (2020) talk on how consumer knowledge and risk perception affect how consumers feel about dangerous items and behave in certain situations. Gaining a thorough knowledge of product risk and how it affects consumer decision-making via analysis of various sources enables firms to create efficient risk management plans and increase customer confidence in their goods

RESEARCH METHODS

This study uses a research design that is descriptive testing used to analyze the effect of positioning on shampoo products. The data used in this research is primary data. Which is the primary data obtained from the results of distributing questionnaires to respondents. The unit of analysis of this study is the individual. This research uses cross sectional research, which is a research method that is carried out with a relatively short time and a certain place.

The data analysis method used in this research is to analyze the attributes owned using the attribute based approach which is carried out by involving the attributes of the products being compared and discriminant analysis. In the application of discriminant analysis for positioning, researchers will compare brands as a group based on certain attributes.

This research will produce three outputs, namely the Canonical Discriminant Function, Preference Map, as well as market strategy and marketing mix. One of the important outputs to be analyzed is a plot image called the Canonical Discriminant Function. In this figure, you can see the position of shampoo brands based on two dimensions/functions (as the x-axis and y-axis.).

Standardized Canonical Discriminant Function Coefficients

	Function			
	1	2	3	4
Packaging (menarik, fungsional, ramah lingkungan)	.200	.010	-.296	.900
Safe for skin (cocok untuk kulit, tidak menimbulkan iritasi)	-.032	-.372	.023	-.257
Brand Image (memiliki reputasi brand yang 4)	.583	.117	.355	-.531
Harga yang terjangkau	.282	-.164	.410	.072
Ingredients (alcohol free, non-fragrance)	-.363	-.585	.507	.371
Opportunity pre-test (non animal tested)	-.806	.600	.254	-.297
Product Risk (Resiko produk gagal / tidak cocok, menimbulkan iritasi, alergi)	.227	.736	.087	.234

Canonical Discriminant Functions
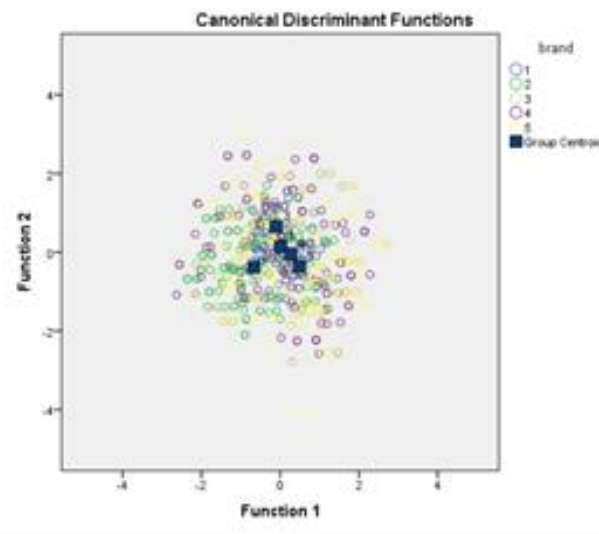
Functions at Group Centroids

brand	Function			
	1	2	3	4
1.00	.018	.143	.428	-.016
2.00	-.665	-.383	-.059	.012
3.00	-.104	.650	-.174	.108
4.00	.265	-.045	-.127	-.318
5.00	.487	-.364	-.065	.213

Unstandardized canonical discriminant functions evaluated at group means

CONCLUSIONS

1. The attribute that is the longest and closest to the x-axis is the brand image attribute, so the brand image is referred to as the x-axis, while the attribute that is the longest and closest to the y-axis is the product risk attribute, so product risk is referred to as the y-axis.

2. Of the 6 skincare products, The Body Shop deserves to be said to be the market leader because it excels in two main dimensions and is in quadrant one (X Positive and Y Positive).

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