CHAPTER I

INTRODUCTION

1.1   Background

Marketing is an important thing that must be done by a company or an organization. Every company or organization has their own marketing method to promote the product/services. According to Kotler & Keller (2012) marketing is about identifying and meeting human and social needs. One of the shortest good definitions of marketing is "meeting needs profitably". Marketing is defined as "the process by which companies create value for customers and build strong customer relation-ships in order to capture value from customers in return" (Kotler & Armstrong, 2014).

As time goes by, the concept of green marketing has arrived. Green marketing is a very good breakthrough. Green marketing is considered safe for the environment. Many companies have used the concept of green marketing in their companies. Green Marketing is the consistency of all activities that design tasks and facilities for human satisfaction and desires, by not including in the natural environment (Polonsky, 1994). According to Praskash (2002) the term green marketing as a strategic effort in creating environmental and health-based businesses has been known in the late 1980s and early 1990s. There are many terms about green marketing, including environmental marketing, ecological marketing, sustainable marketing, greener marketing and societal marketing. The goal of green marketing is not only to see profit as the sole purpose of the company, but to be an additional concern for the environment.

According to Dangelico and Vocalelli (2017) there are two things that must be developed to improve the system in a company or company product, which are Green marketing mix and green marketing strategy. Green marketing mix covers the green

product, green price, green promotion and green place. While, green marketing strategy covers positioning, segmentation, targeting and differentiation. Green marketing mix is considered as the same as marketing mix. However, the process in green marketing mix is more environmentally friendly than marketing mix. In the Green Marketing context Polonsky and Rosenberger III (2001) explained in their journal each of the 4 Green Ps to implement Green Marketing strategies and tactics.

According to Kotler (2005) sales promotion is a collection of long-term and short-term tools designed by company for customer to purchase goods or services faster and larger. According to Kumar & Ghodeswar (2015) green communication can support the success of green promotion, where green communication has five supporting elements including eco-labelling, information credibility, communication tools, consumer engagement and determinant of purchase intentions. Gallastegui (2002) said that eco-labelling is one of the means to provide more information to consumers about the company and product, education patterns in a more environmentally friendly direction, and encourage producers for others to increase the standard of components or packaging for the environment from products/services. The application of eco-labelling by business actors can encourage industrial innovation that is environmentally friendly. In addition, ecolabel can provide a positive image for products and services.

Brand trust is the perception of reliability from a consumer's point of view based on experience, or more on the order of transactions or interactions characterized by fulfilling expectations of product performance and satisfaction (Ferrinadewi, 2008). Trust is built because of the hope that other parties will act in accordance with the needs and desires of consumers.

The problem is how to find out the relationship between the variables in ecolabel that are included in the green promotion toward brand trust. The purpose of this research is to analyze the green marketing promotion of the company. One of supporting element of communication in promotion is eco-label. In this research the researcher would like to analyze the relationship between the variable of eco-label toward brand trust. Ecolabel has several variables that will be connected toward brand trust. Such a

situation gives an issue of how exogenous variables (ecolabel) affect endogenous variable (brand trust). A more complex problem is how to design research/conceptual models. The two problems above are state of the art in this research.

1.2 Research Question

Based on background of research elaborated above, the questions formulated in this research are:

1. How is the conceptual design of eco-label models toward brand trust?
2. How is the relationship between variables of eco-label toward brand trust?

1.3 Research Objectives

The objectives of this research are:

1. Designing conceptual model of eco-label toward brand trust.
2. Determination the relationship between the variables of eco-label toward brand trust.

1.4 Scope of Problem

As a condition of a focused study, the following problems are restricted:

1. The study is focused on green marketing with discussion on eco-label promotion.
2. The research was carried out based on the conceptual model that had been built.
3. The object of the research was conducted on Yogyakarta Starbucks users.
4. Analysis tools used by SPSS and LISREL.

1.5   Benefit of Research

Research should have good benefits. The research conducted can provide the development of scientific knowledge, especially in the field of green marketing technology.

1.6   Systematic Writing

The systematic writing in this research is formulated as follows:

CHAPTER II   LITERATURE REVIEW

This chapter is focused to determine the current study of the related previous research. The chapter contains information about the result of related previous research and supporting literatures underlying the research.

CHAPTER III   RESEARCH METHODOLOGY

This chapter consists of research methodology. In this chapter, there will be described the detailed series of research object, system development, research design, research procedure, and data collecting, processing, and analysing method.

CHAPTER IV   DATA COLLECTING AND PROCESSING

This chapter describes the data collection and processing, analysis and results, including images and graphics obtained. This chapter is a reference for the discussion of the results that will be written in Chapter V.

CHAPTER V   DISCUSSION

This chapter discusses about the result of the previous chapter. It will be the core discussion in order to get a comprehensive understanding about the whole research.

CHAPTER VI **CONCLUSION AND SUGGESTION**

This chapter provides short and precise statements described in the previous chapter. A suggestion related to the current study in purpose of the advancement in the future research is given based on the limitations of the current research.

REFERENCES

APPENDIX