

GREEN MARKETING AND ITS EFFECT ON PURCHASE DECISIONS OF CAR *LOW COST GREEN CAR (LCGC)* IN KARAWANG

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Abstract---The concept of Green Marketing is a concept that resembles the concept of marketing mix which refers to satisfaction, needs, desires and desires of customers to get a product or service. The difference between Green Marketing and the conventional mix concept is customer that the intended will be involved in environmental preservation and maintenance. The relationship customer in preserving the environment creates an opportunity for world automotive companies to increase sales by implementing the concept Green Marketing. The issue of global warming in the automotive sector today can be reduced by starting to use LCGC (Low Cost Green Car) products, this study aims to find out how the phenomenon of Green Marketing in the automotive sector has an effect on selling cheap and environmentally friendly cars that have low specifications, more economical fuel because it uses a small engine size cc (centric cubic) with the aim of reducing high exhaust emissions. Descriptive review results prove Green Marketing to be an alternative strategy to help the image company's, but also provide value more to the company's business. Implementing a strategy green marketing requires a fundamental, comprehensive, and integrated approach in all aspects of marketing, including the overall marketing mix with 4P (Price, Product, Place and Promotion).

Keywords---green marketing concept, low cost green car (LCGC), marketing mix

I. Introduction

Environmental damage has now become a major global issue. many places in the hemisphere, air and water pollution has reached very dangerous levels. Concerns about the "greenhouse effect" or the effect of greenhouse gases in the atmosphere caused by burning fossil fuels and the spread of certain chemicals in the air have increased. Coupled with reduced availability of clean water and increasing (Shi et al., 2019)

contamination of harmful chemicals in the water. This phenomenon has affected all human activities on earth. The great concern of the coming of a greater disaster and resulting losses has made humans increasingly aware of the importance of balance in the environment that can be achieved by environmental preservation, in situations such as this arises *Ethical Consumerism*. *Ethical Consumerism* is an ethical purchase of services or products. That means not

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exploiting or eradicating animals and the environment in the hope of being able to minimize harm to the entire ecosystem and human population. In addition there is a *green consumerism* which is a continuation of the movement *consumerism* global that starts from consumer awareness of their rights to get decent products and products that (*environmentally friendly environment friendl* yare increasingly). In addition to meeting the increasing human needs, the consumption power of the community has also increased. Such a high population development goes hand in hand with demand growth. The rapid development of industry, not only brings benefits to humans but also raises social and environmental problems.

It becomes a necessity for all companies to be able to meet the increasing human needs and accept challenges to understand customers, build solutions to customer needs and minimize the damage to the ecosystem in generating profits for the company.

II. Marketing Literature Review

According to the American Marketing Association (AMA, 2004), the definition of marketing is the process of creating, communicating, and delivering value to customers and to manage good relationships with customers, in ways that benefit both the company and the customer. Meanwhile (Kotler, 2002) defines, marketing authentic marketing management is not the art of selling what you can make, but rather knowing what to do! This is the art of identifying and understanding customer needs and creating solutions that provide satisfaction to customers, profits to producers, and benefits to stakeholders. Market innovation is obtained by creating customer satisfaction through product innovation, product quality, and customer service. If these things are absent, any amount of advertising, sales promotion or salesmanship will not be able to compensate. At present the marketing concept developed is not only based on short-term output or profit but long-term outcome, namely the preservation of the earth.

Green Marketing

(FuiYeng. Wong and Yazdanifard. Rashad, 2015) states that sustainable green marketing as a tool in the marketing mix will benefit companies that implement it. *Green marketing* is the newest and popular market which is facilitated to be environmentally friendly to individuals, animals and the planet (Rajeshkumar, 2012). Concern and awareness of consumers for products that are environmentally friendly causes them to care about willingly paying more to buy green marketing products. The phenomenon of *green marketing* in the automotive field begins with the production of cheap and environmentally friendly cars or often called *LCGC (Low Cost Green Car)*. *LCGC car* is a car with lower specifications, use less fuel because the engine size (cc) is small, and the price is cheaper. All car manufacturers issued variants of car product *LCGC* this, including Toyota with Agya and Honda with Brio. The development program for the production of energy efficient and affordable passenger cars made in the country or more popularly called *Low Cost and Green Car (LCGC)* is intended to be able to survive and win the automotive industry competition.

Green Marketing Mix

1. Product, Ecological objectives in planning products are to reduce resource consumption and pollution and to increase conservation of scarce resources. In business, products are goods or services that can be traded. In marketing, a product is anything that can be offered to a market and can satisfy a desire or need. At the retail level, products are often referred to as merchandise. In manufacturing, products are bought in the form of raw goods and sold as finished goods. Products in the form of raw goods such as metals or agricultural products are often referred to as commodities.

2. Price, Price is a critical and important factor of *green marketing*. Most consumers will only be prepared to pay

additional value if there is a perception of additional value products. This value can improve performance, function, design, visual appeal, or taste. Green marketing must take all these values into consideration while charging premium prices.

3. Place, According to Kotler (2011: 126), distribution channels are various activities of companies to make their products affordable and available to their target markets. According to Tjiptono (2000: 162), distribution is a marketing activity that seeks to facilitate and facilitate the delivery of goods and services from producers to consumers. Based on the definition above, what is meant by a distribution channel is a commercial channel involved in the process of delivering goods from producers to consumers.

4. Promotion Promotion is a general policy for communicating with customers under relevant titles, such as advertising, sales force, sales promotion, public relations, exhibitions, direct mail, internet and so on. Viewed from the customer's point of view, promotional activities have the aim to attract attention that makes other people want to see, read, come to, so that they unwittingly have a desire to buy. From a production standpoint, promotional activities have several objectives to be achieved by the company, namely providing information about the product, differentiating products from competitors, showing and highlighting product excellence, increasing sales value, and maintaining the market share the company has achieved.

III. Methodology

This research is a descriptive quantitative study with the aim of obtaining a picture of the effect of the implementation of Green Marketing on the marketing mix *4P (product, price, place, and promotion)* in making purchasing decisions. This study examines whether there is a significant influence between the marketing mix *4P(product, price, place, and promotion)* on purchasing decisions of *LCGC Toyota Agya* cars. The object of research is consumers of *LCGC Toyota Agya* cars in Karawang, Indonesia. Data collection techniques in this study are divided into two parts, namely: 1. research Library (*Library research*)2. research field (*field research*)

research field is used to get data from the primary object of study. Direct field research methods used to obtain the following main data: a. Related parties, especially selected respondents with the problem under study. b. Distribute questionnaires or questionnaires to respondents who are consumers of *LCGC Toyota Agya* cars.

IV. Results and Discussion

One of the brands favored by consumers for car *LCGC* this is the Toyota Agya, with an elegant appearance and good enough performance, this car is able to boost Toyota consumers. The advantages of Toyota Agya which really gives comfort to the owner, so that it becomes a factor in increasing the number of buyers, this car can load as many as 4 passengers and carries the concept of an economical and environmentally friendly car.

The advantages of Toyota Agya are on the side of the steering wheel which is relatively light in maneuvering, has good acceleration with stable handling (not easy to *lose drive*), has the most power in the 1200 (cc) class. This car has other advantages, such as economical fuel, using the latest Toyota engine technology type G & TRD 1.2, using inline 4-cylinder engine, 16 valves, DOHC, Dual VVT-i, cylinder contents 1,197 cc., Using the PGM fuel supply system -FI, Toyota Agya can produce 100 Ps, while the fuel consumption of this Toyota car reaches 20 km / liter. Toyota Agya still has safety and safety features for its drivers and passengers. One of the dealers selling Toyota cars in Karawang is Auto 2000 Karawang. The company acts as a sales agent for Toyota brand cars in Karawang. Table 1 below presents the number of Toyota Agya

car sales in Karawang and its competitors.

Table 1. Data on *Wholesales of Gaikindo LCGC 2019*

Mobil	Bulan					Total
	April	Mei	Juni	Juli	Agustus	
Brio	3,650	4,030	2,652	5,655	4,445	20,432
Calya	3,449	3,877	3,963	5,167	3,436	19,892
Go+	193	129	90	55	191	658
Sigra	6,317	4,957	1,189	3,757	4,371	20,591
Agya	5 274	4 455	5 491	3 384	3 027	21 631
Avla	2,625	2,164	936	2,148	1,850	9,723

Sumber : *Tempo. Co Jakarta, 2019*

Table 1 shows the number of sales of Toyota Agya cars experiencing fluctuations. The highest sales occurred in June 2019 with 5,491 units and the lowest in August 2019 with 3,027 units. When compared with the Honda Brio, selling Honda Brio Satya cars are still lagging behind. Honda Brio Satya sales were the lowest in June 2019 at 2,652 units and the highest in July at 5,655 units.

According to Kotler and Armstrong (2002), to influence consumer behavior, companies can use promotional strategies. The company promotes products so consumers can recognize products and for the purpose of making the best consumers to make purchasing decisions. In relation to green marketing, there are three types of green advertising: a. Campaigns that discuss the relationship between products / services and bio physics environmental. b. Campaigns that promote a green lifestyle by highlighting products or services. c. A campaign that presents a corporate image of environmental responsibility.

According to Schiffman and Kanuk (2008: 46), a decision is defined as a choice of two or more alternative choices. Judging from consumer behavior, when someone has bought or not bought, the choice between one brand with another brand, or the choice of spending time by doing A or B, that person is in a position to make a decision. According to Kotler and Armstrong (2002: 67), factors that influence purchasing behavior are cultural, social, personal, and psychological factors. In addition to the factors outlined above, marketing mix factors also influence consumer purchasing decisions. Good product quality, price, distribution, and the right promotion will make it easy for consumers to make the decision to buy the product. In this study, the research model used is as follows:

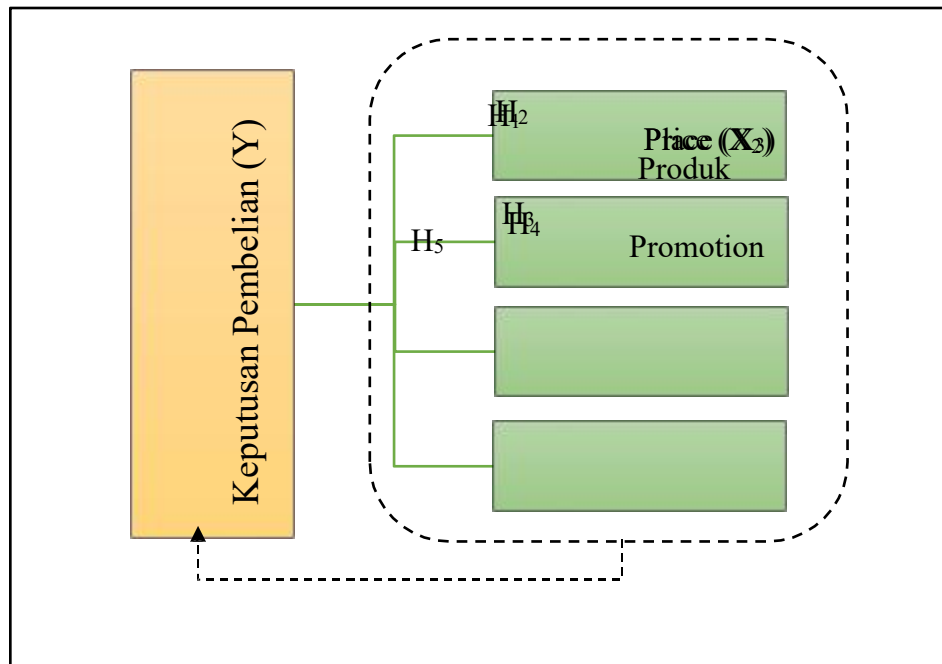


Figure 2 Hypothesis Research

Based on the problems and the framework set forth above, then the hypothesis formulated in this study are:

- H1: Items in *green marketing* has a positive influence on purchase decisions Toyota Agya
- H2: Price in *green marketing* has a positive influence on decisions purchasing Toyota Agya
- H3: Distribution channels in *green marketing* have a influence positive on Toyota car purchasing decisions Agya
- H4: Promotions in green marketing have a positive influence on Toyota Agya car buying decisions
- H5: marketing mix *4P*(*product, price, place, and promotion*) in *green marketing* has a positive influence jointly on Toyota Agya's car buying decision.

Operational Definition Variables

The variables used The variables in this study are Variable X and Y Variables. Variable X is an independent variable consisting

H₅

of X1 = Product Quality, X2 = Price, X3 = Distribution, X4 = Promotion, and Variable Y = Purchasing Decision. The operational definitions of this research variable can be seen in Table 2.

Table 2. Variables and Research Indicators

Variabel	Definition	Indicator	Percent
Product (X ₁)	Product is something that can be	Product Quality	14,02%

	offered to fulfill your needs and needs.	Fuel efficiency	
		Product Model	
		Environmentally friendly products	
Price (X ₂)	Price is the amount of money released for a product or service or the amount of value exchanged with consumers for the benefits of owning or using the product or service.	Price based on Quality	27.09%
		Discounts	
		Re-sale price	
		Competitor Prices	
Place (X ₃)	Distribution is a marketing activity that seeks to facilitate and facilitate the delivery of goods and services from producers to consumers	Location	21.89%
		Exhibition Hall	
		The Waiting Room	
		Product Delivery	
Promotion(X ₄)	Promotion is an effort to introduce goods and services so that consumers are interested in making a purchase	Interesting advertising	37.0%
		Green Advertising	
		Pomotional Advertisement	

V. Recommendations

The results of the data analysis and discussion that in general should pay more attention to the marketing mix strategy of 4P (*product, price, place, and promotion*) as the main indicators in influencing Toyota Agya's environmentally friendly car purchasing decisions to consumers will increase sales of environmentally friendly cars (LCGC), In order to further analyze the customer loyalty after purchase, so that it can measure the level of satisfaction with *after-sales services* from car sales LCGC.

VI. Conclusion

Decision is defined as a choice of two or more alternative choices. Judging from consumer behavior, when someone has bought or not bought, the choice between one brand with another brand, or the choice of spending time by doing A or B, that person is in a position to make a decision. The hypothesis in this study is to say the alleged influence of marketing mix *4P* (*product, price, place, and promotion*) in *green marketing* together towards the purchase decision of Toyota Agya cars in Karawang, This is explained in: As a variable with the greatest influence in research This is the first variable promotion of 37%, which means that the promotion (X3) has a positive and significant effect on purchasing decisions for Toyota Agya cars. in accordance with the principle *LC* (*low cost*), Toyota must maintain the promotion of LCGC cars in order to compete with other car manufacturers. The second largest variable is the price variable of 27.9%, meaning that the price (X2) has a positive and significant effect on the purchase decision of the Toyota Agya car. In accordance with the principle of *GC* (*Green Car*), it is better to keep prices so that it can compete with other car manufacturers. The third biggest influence is the distribution location variable, the distribution location variable influences the purchasing decision by 21.9%, meaning that the distribution location (X3) has a positive effect and significant to the purchase decision of the Toyota Agya car. A smooth and even distribution of products in accordance with the market will benefit Toyota, because there are still queues (indent) for car *LCGC* this. So that customers do not feel like waiting too long to get this Toyota Agya product which results in a canceled purchase. The last is a variable influence on the product quality, product quality variable influencing buying decision for 14:02% gives the sense that the product (X1) positive and significant effect on purchasing decisions Toyota Agya. the quality of the product must be improved according to the *tagline* of environmental friendliness and a relatively cheap price to the public.

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