1.1 Background

In this era of vast advancements in knowledge-based technology, consumers all over the world are becoming more aware towards the environment. Consumer brands that demonstrate commitment to sustainability outperform those that do not. In 2014 alone, product sales from sustainability-committed brands have increased more than 4% worldwide, while those without saw an increase of less than 1% (Nielsen, 2015). It is becoming a positive trend that people are willing to spend more money in buying sustainable products. In the same survey, it is mentioned that in 2013, 50% of consumers are willing to pay more for sustainable brands. This number sees continuous growth with 55% by 2014, and 66% of consumers by the end of 2015.

![Figure 1.1 Percentage of the Amount of Consumers Willing to Pay More for Sustainable Brands](source: The Nielsen Company, 2015)
Another research was conducted on Corporate Social Responsibility by Cone Communications in 2017 to study the consumers’ reactions when a business supports social or environmental problems. The sample used in the research was demographically representative segment of 1,000 Americans, resulting in a few takeaways as follows:

**Figure 1.2** Percentage of the amount of people in America aware of Sustainable Business Practices. Source: Cone Communications, 2017

These studies confirm that companies are expected to engage in the process of making an impact, both socially and environmentally. People are becoming more aware and concerned about the future, recognizing that how their money is spent can influence in how businesses conduct their practices. (Cone Communications, 2017)

Sustainability itself is measured from the assessment of (1) Social, (2) Environmental, and (3) Economic principles (United States Department of Transportation, 2011). Green Marketing is a mean for achieving sustainable development as it leads to the present & future protection for the environment. It acts as a medium to long term policy strategy which aims to solve problems of (1) “potential poverty and resource scarcity gaps”, (2) the lack of opportunities for
alternate economic, production, and livelihood models, and (3) environmental degradation impacts (Aparna Choudhary, 2013).

Despite the growing trend to shift to more sustainable practices, sustainable practice among companies in Indonesia is still low compared to other ASEAN countries. A study about sustainability among ASEAN countries was conducted in November 2018 by ASEAN CSR Network & National University of Singapore. One of the findings in this study mentions the comparison on Economic, Environmental and Social Disclosure between 2016 and 2018. It was observed that Malaysian & Singaporean companies saw a significant improvement, while Thailand and Indonesia saw a moderate improvement in EES disclosure.

![Figure 1.3 Improvement on EES disclosure](source: NUS, 2018)

With the mindset of wanting to create a positive impact and cause a betterment to the society, on February 7 2018, the researcher and his friends Lila Ramadhani (Research & Development Officer), I Gusti Ngurah Abhirama (Marketing Officer), Octavianus Bastian (Operational Officer), Victor Christian (Business Development Officer), and Zaen Dien (Financial Officer) co-founded Jolav Enterprise. Jolav is a social enterprise focusing in the empowerment of socially & economically vulnerable women in Surabaya. Jolav empowers people through conducting
training of producing natural-soap, or *sabun herbal*, a term the locals are familiar with.

In analyzing the marketing strategy that Jolav uses in its business practice, the researcher uses the 7Ps of Green Marketing Framework by Pranam Dhar & Soumyajit Das (n.d.), which stated that Green Marketing Mix consists of 7 dimensions, which are Product, Price, Place, Promotion, People, Process, and Physical Evidence. More explanations of the marketing mix that Jolav uses will be explained further.

The product that Jolav sells are community-made artisan soap. Jolav sells different soap line-ups, which are Ambar (variant by request, focused on B2B sales), Lithe (5 variants; Charcoal, Coffee, Lavender, Green Tea, and Honey Oatmeal), and Kama (2 variants; Rose and Avocado). All products that Jolav sells use natural ingredients. The raw materials for the products are also procured from responsible sources, such as companies with RSPO certification, or companies whose CSR is about forest rehabilitation. The packaging used for this product is made from recycled & recyclable materials. In the near future, Jolav is planning to register the soap to get a BPOM certification and other eco-friendly certifications, especially if the product certification shows a significant impact on consumer’s purchase intention in this research. Throughout the whole research, the term “Jolav soap” will be represented by Lithe soap only (starting from the data collection until the data processing). This is done to achieve a higher result accuracy, as the researcher will focus on Lithe soap’s target market (explained in chapter 3.2).

Jolav currently offers three soap line-ups which are Ambar (@IDR 5,000 – IDR 10,000), Lithe (@IDR 25,000), and Kama Artisan Soap (@IDR 100,000). The
company decided to use this pricing strategy for the purpose of filling in the need of different products at different price points.

As for the place, Jolav sells their products both online & offline. Most of the selling activities are done online, such as on Instagram, Tokopedia, Shopee, and Bukalapak. Occasionally, Jolav does the selling activity offline, through pop-up markets and the local farmer’s market.

For the promotion, Jolav promotes their products using both online & offline mediums. For the online promotion, Jolav uses advertisement tools, such as Instagram & Facebook Advertising. Jolav also has done offline promotion by joining exhibitions, such as the annual International Exhibition “2018 Trade Expo Indonesia” organized by Kementrian Perdagangan Indonesia, also regional exhibitions such as Sinergia East Expo that was held in 2019.

The people behind Jolav can be categorized into 2 categories: the executives, and the human resource. By the time this article is being written, the executives consist of active university students from Business & Creative Industry major who met each other in the social business guild in Universitas Ciputra, while the human resource team is the women community consisting of divorced mothers with monthly income of less than Rp.400,000.-.

All Jolav soap are handmade by the local community trained by Jolav. This is aimed to help reduce the amount of poverty in Surabaya. In the production process, Jolav ensures that all the activities are done with safety being the priority. To achieve the level of safety Jolav is implementing, the use of safety devices such as safety goggles, safety gloves, masks, and safety suit are necessary. The production
activity is also done on sites with good air circulation to avoid the risk of chemical poisoning.

To show the physical evidence of greenness & sustainable practice, Jolav applies natural & eco-friendly nuances in its decoration application, and uses only sustainable materials for decoration, for both online and offline selling activities. For the online selling activity, Jolav’s products are designed with natural nuances to display its focus towards eco-friendliness.

The idea of green marketing is originated in the 1970s, and green goods became popular during the 1990s. Consumers are becoming more and more environmentally conscious (Laroche, Bergeron, & Barbaro, 2001) about it. Companies and consumers are now more considerate about green marketing (Peattie & Crane, 2005). Markets in developed economies are increasingly buying green products and there lies a larger market, as is the case with marketing research on such topics. Green marketing studies in Asia are far less so than in western countries (Lee K., 2009). In relation to the increasing demand of sustainable products, the author wants to know whether doing green marketing can cause a positive or negative impact (if any) towards consumer’s purchase intention on Jolav’s product line-ups.

Based on the background above, the author decided to examine the impact of Green Marketing towards consumer’s purchase intention with the title of the research as “THE IMPACT OF GREEN MARKETING 7Ps TOWARDS CONSUMER PURCHASE INTENTION: A STUDY CASE ON JOLAV ENTERPRISE”
1.2 Problem Statement

Based on the background discussed above, the research questions to be addressed are as follows:

1. Does the product factor in the green marketing mix have a significant impact towards consumer’s purchase intention of Jolav soap?
2. Does the Price factor in the green marketing mix have a significant impact towards consumer’s purchase intention of Jolav soap?
3. Does the Place factor in the green marketing mix have a significant impact towards consumer’s purchase intention of Jolav soap?
4. Does the Promotion factor in the green marketing mix have a significant impact towards consumer’s purchase intention of Jolav soap?
5. Does the people factor in the green marketing mix have a significant impact towards consumer’s purchase intention of Jolav soap?
6. Does the process factor in the green marketing mix have a significant impact towards consumer’s purchase intention of Jolav soap?
7. Does the Physical Evidences factor in the green marketing mix have a significant impact towards consumer’s purchase intention of Jolav soap?

1.3 Research Objectives

Based on the problems stated above, the objectives of this research are:

1. To find out whether the product factor in the green marketing mix have a significant impact towards consumer’s purchase intention of Jolav soap.
2. To find out whether the price factor in the green marketing mix have a significant impact towards consumer’s purchase intention of Jolav soap.
3. To find out whether the place factor in the green marketing mix have a significant impact towards consumer’s purchase intention of Jolav soap.
4. To find out whether the promotion factor in the green marketing mix have a significant impact towards consumer’s purchase intention of Jolav soap.
5. To find out whether the people factor in the green marketing mix have a significant impact towards consumer’s purchase intention of Jolav soap.

6. To find out whether the process factor in the green marketing mix have a significant impact towards consumer’s purchase intention of Jolav soap.

7. To find out whether the Physical Evidences factor in the green marketing mix have a significant impact towards consumer’s purchase intention of Jolav soap.

1.4 Research Benefits

From this research, the writer hopes that this study has benefits for both theoretical and practical aspects. They are as follows:

1.4.1 Theoretical Benefit

a. For Student

The writer hopes the result of this study can enrich student’s knowledge about how companies that practices 7Ps of Green Marketing impacts consumer’s purchase intention.

b. For Teachers & Other Researchers

This research provides information and references for forthcoming researches in the green marketing sector related the 7Ps of green marketing mix and its impacts towards consumer’s purchase intention.
1.4.2 Practical Benefit

a. Author

The author gets an insight of which 7Ps Marketing Mix is/are mostly impacting consumer’s purchasing intention on Jolav’s product lineup.

b. Other Researchers

This research hopefully will be useful for other researchers who are interested in research using the same theory.

1.5 Research Scope

This research covers the 7Ps of Green marketing, including factors such as Products, Price, Place, Promotion, People, Process, Physical Evidence, and its influence towards customer purchase intention of Jolav. In this research, the researcher only focuses on one of the line-ups; Lithe Soap (more explanation on chapter 3.2). This research was conducted from January to April 2020.