

# The Effect of Green Perceived Quality, Green Perceived Value, Green Perceived Risk, Green Satisfaction and Green Trust in Stimulating Green Brand Equity Starbucks, West Java

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## ABSTRACT

The company implements a green marketing strategy in order to increase competitive advantage amid environmental damage issues. The location of this research is Bogor. The total sample used in this study was 280 respondents using questionnaires on a 1-4 scale. Analysis of research data using Structural Equation Modeling (SEM) with LISREL processing tools, The results of the analysis of this study are Green perceived quality is significant and influences green satisfaction and green trust, green perceived value influences green satisfaction and does not affect green trust, green perceived risk does not affect green satisfaction but has an significant to green trust, Green satisfaction has an effect on green trust and green brand equity, then green trust has no effect on brand equity.

**Keywords :** Green Marketing, Green Perceived Quality, Green Perceived Value, Green Perceived Risk, Green Satisfaction, Green Trust dan Green Brand Equity.

## INTRODUCTION

The rapid development of industrial gives positive impact toward human life. However, on the other hand, it gives negative impact toward environment. Business activities certainly give huge contribution toward the decreasing of environmental quality. Responding the enhancement of people awareness/care about the environment, many companies consider seriously so that they can utilize the opportunity of environmental issue for their business activities (Chen and Chang, 2012). Marketers begin selling safe and eco friendly goods or services for customer. Successful marketers of green-product consider, if customers currently do not only care toward material of goods but also the

effect toward the environment (Singh and Pandey, 2012).

Companies apply strategy of green marketing so it can increase competitive advantage among the issue about environmental damage. Green marketing becomes proactive strategy of the company to provide market demand by producing green products which do not harm the environment. Survey of AC Nielsen department explains that 90% Indonesians care more toward environment (AC Nieselsen, 2009). The consumption enhancement has high ecology impact, then it focuses on natural resource ability in providing adequacy of raw materials fulfillment of coffee (Arief et al, 2011).

The company of food and beverage which implements green marketing is

Starbucks. Based on Company Fact Sheet in Starbucks' book "Corporations That Change the World", it is mentioned that Starbucks focuses on the effort of giving good work environment for employees, making positive contribution for society, cooperating with coffee farmers to ensure their long-term success and minimizing the impact toward the environment (Bussing-Burks, 2009). Environmental damage due to uncontrolled waste also becomes Starbucks' concern. Starbucks releases global program of "Take A Mug Pledge" since the beginning of the release. This program has shown successfully about the decrease of 109 coffee cup garbage truck every year (Susilo, 2014).

Furthermore, for increasing competitive advantage, Starbucks must be seen as a company which has good credibility of environment and develop the product which has good green product element and high value in the effort of increasing equity of green brands. Based on the background and problem formulation above, the aims of the research are to (1) find out and analyze the significant impact of the factors such as green perceived quality, green perceived value, green perceived risk toward green satisfaction and green trust. (2) find out and analyze the significant effect of green satisfaction factor toward green trust. And (3) find out and analyze the significant factor of green satisfaction, green trust toward green brand equity.

## METHOD AND RESULT

### General Description of Respondent

Descriptive data about age of respondent in this research can be seen in table below. From the table below, it shows that Starbucks visitors with the dominant age range of 21 - 30 years of 210 people or 75.00%. Based on respondent composition with gender aspect, the dominant Starbucks customers who visit to Starbucks outlet Bogor are men of 173 people of 61.78%. Based on education aspect, the dominant Starbucks customers who visit Starbucks

outlets in Bogor were those who have diploma/bachelor education of 230 people or 82.14%. Based on respondent composition with occupation aspect, the dominant Starbucks customer who visits Starbucks outlets in Bogor are private employees of 134 people or 47.85%. Based on respondent composition with monthly income aspect, the dominant Starbucks customers who visit to Starbucks outlets in Bogor are customers with monthly income approximately IDR 4.000.000 - 8.000.000 of 114 people or 40.714%.

No	Desc of Respondent		Total (N = 280)	
			N	%
1	Age	21 – 30 Thn	210	75,00
2	Gender	Men	173	61,78
3	Education	Diploma/ Bachelor	230	82,14
4	Job	Practition	134	47,85
5	Income	Rp. 4.000.000 – 8.000.000	114	40,71

### Value Analysis of Goodness of Fit (GoF)

Examination test is conducted as three stages of match test, overall model fit, measurement model fit and structural model fit.

Goodness of Fit (GoF)	Cut of Value	Result	Info
<b>Absolute Fit Measure</b>			
Root Mean Square Error of Approximation (RMSEA)	RMSEA ≤ 0,08	0,079	Good fit
Root Mean Square Residual (RMR)	RMR < 0,05	0,05	Good fit
Goodness of Fit Index (GFI)	GFI ≥ 0,90	0,84	Marginal fit
<b>Incremental Fit Measure</b>			
Comparative Fit Index (CFI)	CFI ≥ 0,90	0,98	Good fit
Normed Fit Index (NFI)	NFI ≥ 0,90	0,97	Good fit
Relative Fit Index (RFI)	RFI ≥ 0,90	0,96	Good fit
<b>Parsimonious Fit Measure</b>			
Parsimonious Normed of Fit Index (PNFI)	0 - 1	0,83	Good

### Absolute Fit Test

The value of Root Mean Square Error of Approximation (RMSEA) ≤ 0,08 is 0.079. Thus, it does not need model modification. The Root Mean Square Error of Approximation (RMSEA) is a measurement used to improve the tendency of a sensitive chi-square statistic toward big number of samples. The recommended

Value of acceptance  $<0.08$ ; RMSEA value of 0.079 show good fit level. Value of Root Mean Square Residual (RMR)  $< 0.05$  is the average value of all standardized residual. RMR value is about 0 to 1, so a fit model has RMR value  $<0.05$ . It can be concluded that the research has RMR value of  $0.05 < 0.05$ . It shows good model fit level. Goodness of Fit Index (GFI) value of 0.99  $>0.90$ , Goodness of fit Index (GFI) represent overall model fit level calculated from predicted residual squared compared to the real data. GFI value is approximately 0 -1, in which 0 shows poor fit and 1 shows perfect fit. With the recommended acceptance level of  $>0.90$ , it can be concluded that this research model has moderate fit level and marginal fit with GFI value of 0.84.

**Incremental Fit Test**

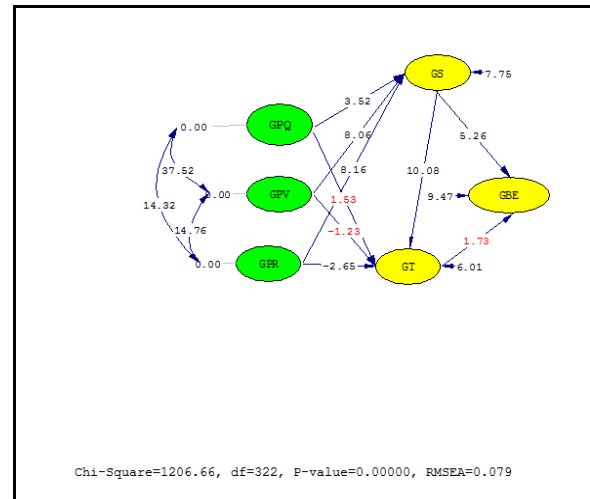
Comparative Fit Index (CFI) is 1,00  $>0.90$ , Comparative Fit Index (CFI) is a incremental fit index comparing tested model with null model. Index size in range of 0 until 1 and value which closes to 1 indicates that model has good fit level. This index is very recommended to use because this index is relative rith sample size and less affected by the complexity of the model. By focusing recommended value of  $>0.95$ ; so CFI value of 0.98 shows that this model has good fit. Value of Normal Fit Index (NFI) of 1,00  $> 0.90$ , Normed Fit Index (NFI) are also size comparison between proposed model and null model, then recommended value is adalah NFI  $> 0.90$ , therefore, it can be concluded that this research shows NFI value of 0,97  $> 0.90$  shows good fit level. Relative Fit Index (RFI) value of 1,00  $> 0.90$ , Relative FitIndex (RFI) is a derivative index focusing on cut of value of RFI  $> 0.95$ . Thus, it focuses on cut of value of this recommended index of  $> 0.95$ ; so RFI value of 0.96 shows that this model has good fit.

**Parsimony Fit Test**

Parsimonious Normed Fit Index (PNFI) value is used for comparing fit in alternative model with recommended value that is the highr PNFI value, alternative

model acceptance is better. In this research, PNFI is 0.83 and it can be concluded that this research has good PNFI value and it can be accepted.

Model fit test conducted in this result generated good confirmation regarding factor dimensions and relation among the factor.



**Analysis of Hypothesis 1 and Hypothesis 1a (Green Perceived Quality → Green Satisfaction and Green Perceived Quality → Green Trust)**

Green perceived quality analysis toward green satisfaction, based on table above, it can be explained that variable of green perceived quality is significant and it positively affects toward variable of green satisfaction of Starbucks’ green product with significance value of t-value 3.54. Analysis of green perceived quality toward green trust, based on the table above, it can be revealed that variable of perceived quality is significant and it positively affects toward green trust variable of Starbucks’ brand with significance value of t-value 8.16.

**Analysis of Hypothesis 2 and Hypothesis 2a (Green Perceived Value → Green Satisfaction dan Green Perceived Value → Green Trust)**

The result of this research showed that green perceived value variable is significant and affects positively toward variable of green satisfaction in green product of Starbucks brand with significance value/ t-

value of 8.06, and also the result in this research shows that variable of green perceived value is not significant and it does not affect positively toward green trust variable of green product of Starbucks with significance value of t-value -1.23.

### **Analysis of Hypothesis 3 and Hypothesis 3a (Green Perceived Risk → Green Satisfaction and Green Perceived Risk → Green Trust)**

This research variable analysis is green perceived risk toward green satisfaction. Based on the table above, it can be revealed that green perceived risk variable is not significant and it does not affect toward green satisfaction of Starbucks' green product with significance value of t-value 1.53. Analysis of green perceived risk partial test result toward green trust, based on table above, it can be said that green perceived risk has an significant and it does negative affect toward green trust variable of Starbucks' green product with significance value t-value of -2,65.

### **Analysis of Hypothesis 4 and Hypothesis 5 (Green Satisfaction → Green Trust and Green Satisfaction → Green Brand Equity)**

Analysis of green satisfaction partial text result toward green trust, based on table above, it can be said that green satisfaction is significant and it has positive effect toward green trust, seen from t-value >1.96 of 10.08. Based on hypothesis test result, it explains that green satisfaction is variable which affects toward green trust variable of Starbucks' green product. Satisfaction is a pleasure level obtained after consuming a product. In this case, it can fulfill desire and customers' purpose (Oliver, 1994; Olsen, 2002). The result of partial test analysis of this research is green satisfaction effect toward green brand equity. Based on the table above, it can be explained that variable of green satisfaction is significant and it affects positively toward green brand equity variable in green products of Starbucks with significance value t-value of 5.26.

### **Analysis of Hypothesis 6 (Green Trust → Green Brand Equity)**

The social exchange theory indicates that customer trust will increase the relation between producers to enhance customer commitment of the product (Grayson and Ambler, 1999; Moorman et al., 1992; Singh and Sirdeshmukh, 2000). The result of partial test in this research can be explained that it is effect of green trust toward green brand equity. According to the table above, it can be said that green trust variable positively affects but it is not significant toward green brand equity of Starbucks' green product with significance value t-value of 1.73.

## **CONCLUSION**

(1) Green perceived quality analysis toward green satisfaction, based on table above, it can be explained that variable of green perceived quality is significant and it positively affects toward variable of green satisfaction of Starbucks' green product with significance value of t-value 3.54. green perceived value variable is significant and affects positively toward variable of green satisfaction in green product of Starbucks brand with significance value/ t-value of 8.06, and also the result in this research shows that variable of green perceived value is not significant and it does not affect positively toward green trust variable of green product of Starbucks with significance value of t-value -1.23. Based on the table above, it can be revealed that green perceived risk variable is not significant and it does not affect toward green satisfaction of Starbucks' green product with significance value of t-value 1.53, test result toward green trust, based on table above, it can be said that green perceived risk is significant and it does negative affect toward green trust variable of Starbucks' green product with significance value t-value of -2,65. (2) Green satisfaction is significant and it has positive effect toward green trust, seen from t-value >1.96 of 10.08. Green satisfaction effect toward green brand equity. Based on the table above, it can be explained that variable of green satisfaction is significant and it affects

positively toward green brand equity variable in green products of Starbucks with significance value t-value of 5.26. (3) According to the table above, it can be said that green trust variable positively affects but it is not significant toward green brand equity of Starbucks' green product with significance value t-value of 1.73.

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