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## A study on green cosmetic brand equity and purchase intentions

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### ABSTRACT

The concept of sustainable development has recently become a significant issue among industrial, academic, and government sectors. As consumers have more green awareness of products, the markets of natural and organic products set to be flourish, the organic certification approach is then expected to be a crucial role between consumers and green brands. For the green cosmetic brands, it might bring more benefits to the brand than just being a proof of organic ingredients.

The study conducted a quantitative questionnaire survey which was developed for this study and based on the four components of brand equity: brand associations, brand loyalty, perceived quality and brand awareness. Taking COSMOS-standard as an example, the study explores the influence it might have on green cosmetic brand equity and purchase intentions. Using snowball sampling for data collection, the total number of respondents was 867 and the number of valid questionnaires was 623. The statistical software SPSS 22.0 was used for the analysis.

The results indicate that COSMOS-Standard organic certification has positive impacts on brand equity and purchase intention; significant differences on brand association and brand loyalty are caused by different disposable income; the effects on improving purchase intention works better on toiletries than facial care products. The cosmetic brands can see the results as suggestions on brand management and marketing strategies.

**Keywords:** Green products; Organic certification; Brand equity; Purchase intention

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## Introduction

The spending capacity of individuals has increased recently, especially in the urban regions of both developed and developing countries, according to the Allied Market Research (2016). The sustainable development of a healthy and ecologically balanced living environment for human is now an important issue among industrial, academic, and government sectors. Promotion of green purchasing has a primary purpose, that is, to lessen the impacts of products on our environment and complete sustainability (Hailes, 2007; Liobikienė & Bernatoniene, 2017). Consumers have had more green awareness of products, especially those used in people's daily life. The markets of natural and organic goods have become flourish, and as a result, the organic certification system is probably a vital role in consumers' behavior when buying the merchandise with green brands. Consumers hardly understand the meaning of all terms used to describe and guarantee green products like organic cosmetics with eco-labels (Cervellon and Carey, 2011). For green cosmetic brands, for instance, it might benefit such brands if they offer an authorized proof concerning organic ingredients of the products. Peattie and Crane (2005) provide an alternative viewpoint: why the "green revolution" in marketing prefaced by some research findings has yet changed green product markets greatly in practice. Obviously, some future studies maybe "more interesting by comparing herbal and chemical cosmetics emphasize on culture" (Hema & Bakkappa, 2012:46). Although there are some studies reporting the importance of green certification on consumers' behavior, the more detailed understanding of the relationship between the certification, brand concept and consumers is needed. The major objectives of the study therefore are (1) to explore the influence of organic certification on brand equity of green cosmetics, and (2) to explore the influence

of organic certification on consumers' purchase intention.

## Literature

Nowadays the discussions about the role of organic certification in green products market are just unfolding. Newerli-Guz (2012) recommends that positive perception of natural or organic ingredients and certification standard have a great impact on consumers who should beware that "the existence of one natural ingredient in a product does not make it natural. Only certification mark on the packaging gives the consumer confidence in the origin of ingredients and processing methods" (Newerli-Guz, 2012:40). Fonseca-Santos, et al (2015) point out that "many natural products can be used in cosmetic products which perform a biological function and toxicological assessment. The use of plants and herbs tends to increase on the market of cosmetic products with more sustainable, so the companies can acquire more market share" (Fonseca-Santos, et al:24). By contrast, anti-microbial ingredients such as triclosan is included in soaps and disinfectants which are getting into fresh waterways from consumer households (Sahota, 2013:4). The damage of the toxic materials come often from people's daily supplies unconsciously. Information spreading fosters people's attentions on perceived value components (ie, health, safety, hedonic and environmental) which are significantly related to consumers' attitude towards the rebuying of organic personal care products (Ghazali et al, 2017). Another reason that consumers may concern frequently is brand. Brand equity refers to the value of having a recognized brand and a set of brand assets added to or reduced from the value provided by a product (Aaker, 1996). Wood (2000) considers brand equity as valuable and long term assets for a corporate. Its' strategic brand management can be achieved by having a multi disciplinary focus (Wood, 2000),

including brand associations, brand loyalty, customers' perceived quality and brand awareness (Konecnik & Gartner, 2007). Created brand equity has a significant impact on brand sale. Also, overall perceived value and brand loyalty have the greatest impact on the value creation (Dolatabadi, et al, 2012:306). In a study by Chen, the results showed that green brand image, green satisfaction, and green trust are related to green brand equity positively. Besides, because "the relationship between green brand image and green brand equity is partially mediated by green satisfaction and green trust, investing on resources to increase green brand image, green satisfaction, and green trust is helpful to enhance green brand equity" (Chen, 2010:307). People must understand both the intermediary's perspective, such as the brand value and customer value to a retailer as well as the consumer's perspective, such as the brand value versus the retailer value. That is to say, the linkages between brand equity and customer equity is important to determine, to a retailer, how valuable the manufacturer is (Leoner, et al, 2006). For instance, Rashid (2009) points out that Malaysian consumers react positively to the eco-label when considering environmental aspects of a product which they intend to buy, "the eco-label will definitely be the crucial factor that will push them to make the right purchase choice (2009:132). Boztepe (2012) explains that environmental awareness, product features, promotion activities and price positively affect consumers' green purchasing behavior. Rahbar and Wahid (2011) also indicate that customer's actual purchase behavior is influenced greatly by how they trust in eco-label and eco-brand and their perception of eco-brand. This shows a significant and positive relationship between green labelling and people's purchase behavior though some other studies disagree it (Mei, et al, 2012). On the other hand, Cai, et al (2017) consider that

consumer perceived credibility of eco-labels, past green purchase, awareness of green furniture, level of education, and whether there is an elder family member in household as positive factors in affecting consumers' purchase intention of green goods. In the results of Lasuin and Ching's study, for young consumers, environmental concern and self-image showed positive significant relationship toward green purchase intention (Lasuin and Ching, 2014). Purchase intention is a salient predictor of actual behavior to shop products. The behavior can be followed with some clues. Grimmer and Wolley (2014) consider that people with stronger environmental notion have greater purchase intention while they trail the environmental advertisements. Lee (2008) concludes that there are four primary influential factors for us to predict adolescents' green purchasing behavior in Hong Kong: social network, environmental concern, concern for self image in environmental protection, and perceived environmental responsibility. University students' purchase intention is influenced by perception of the families, friends and media (Lim et al, 2016:408). Modern consumers need to purchase organic products to improve their life quality. The phenomena have great implications for the retail, distribution and marketing functions of business (Fraj & Martinez, 2006; Rana & Paul, 2017). Yazdanifard and Mercy (2011) say that green distribution is a subtle operation by which the companies may show their "ecological nature" carefully in the market and go green in every aspect of the business. This is because consumers stand by with those brands and companies willing to pay for a greener life style. Companies and consumers should be good partners or fraternities. Liobikienė and Bernatoniene (2017) suggest that different factors influence the purchase of separate products differently. Hence, people should consider categories to which particular green products could be

attributed. For instance, Li, et al (2016) point out that a “dual-channel green supply chain” really exists, especially when customers have high loyalty towards retail channels. Above all, consumers have their own judgments on the purchase of products, especially those used repeatedly in people’s life. Mazar and Zhong (2010) reveal that consumers act more altruistically or less unselfishly after purchasing green products rather than traditional products. People concern about how the products affect their health and feelings. For marketers, customers’ trustworthiness is based on brand which delivers what it promises to them. Brands and eco-labels have common fate whereas consumers care about the quality of products and the integrity of producers.

**Method**

The study adopted the four dimensions of brand equity designed by Aaker (1991) to be the framework, namely brand awareness, brand association, perceived quality, and brand loyalty. In view of such, here are some hypotheses to be tested in the study:

1. COSMOS-Standard certification has positive influence on purchase intention;
2. COSMOS-Standard certification has positive influence on brand awareness;
3. COSMOS-Standard certification has positive influence on brand association;
4. OSMOS-Standard certification has positive

- influence on cons perceived quality;
5. COSMOS-Standard certification has positive influence on brand loyalty; and
6. brand equity has a positive relationship with purchase intention.

The questionnaire survey conducted through social media sites with snowball way to recruit respondents. Totally 867 respondents were collected and claimed 623 valid (valid percentage=71.8%). Most of the invalid respondents answered “no” to the question – “do you pay any attention to organic certification?” Every qualified survey participant should first check the question about the emblem of several famous organic certification in the world to ensure the participant is not a layman. Those who passed the emblem question were allowed to continue the survey. A 5-point Likert Scale was used in the questionnaire. To avoid the various impact of the awareness by different organic certifications, the researcher examined the significant level between the awareness and each element of brand equity. The results show that there is no significance in such relationship. This is important because participants were able to judge the questions in the questionnaire without confusing the different organic certifications. That is, the participants considered organic certification as a whole concept instead of individual certification label.

**Findings**

Table 1 T-test of purchase intention

	T	df	p	Mean deviation	95% Confidence interval	
					Upper limit	Lower limit
Shower products	104.58	622	.00	4.17	4.09	4.25
Facial products	114.52	622	.00	4.23	4.16	4.31

Information abstracted from the survey, Table 1 shows that there is significant difference Besides, there is significant difference concerning

between shower products and facial products (p=0.00<0.05) purchase intention between shower products

and facial products. Obviously, consumers have more purchase intention of shower products than facial products (MD and CI). Based on the

data of Table 2, each element of brand equity has highly significant relationship with the others.

Table 2 Product moment correlation analysis of total brand equity and its elements

Element	Brand awareness	Brand association	Perceived quality	Brand royalty	Total brand equity
Brand awareness	1				
Brand association	0.793***	1			
Perceived quality	0.740***	0.855***	1		
Brand royalty	0.701***	0.767***	0.798***	1	
Total brand equity	0.891***	0.935***	0.927***	0.894***	1

\*\*\*p<0.001

Based on the data of Table 3, there is a positive relationship between brand purchase intention

and brand equity (r=0.771, p<0.001).

Table 3 Product moment correlation analysis of awareness of organic certification, purchase intention and brand equity

	Product purchase intention	Brand purchase intention	Brand equity	Awareness of organic certification
Product purchase intention	1			
Brand purchase intention	0.574***	1		
Brand equity	0.587***	0.771***	1	
Awareness of organic certification	-0.069	-0.029	-0.020	1

\*\*\*p<0.001

**Discussion**

There is positive influence of COSMOS-Standard on consumers' purchase intention even though they are not familiar with such standard and its meaning. On the one hand, shower products gain more influence than facial in general. It

is believed that consumers could pay more attention to facial products and remain a higher product loyalty and brand adhesion than shower ones. On the other hand, a shower product has more opportunities than facial one to attract consumers through the emphasis of its green

ingredients. In addition, there is positive influence of COSMOS-Standard on consumers' brand equity.

The study finds that the standard may bring a positive suggestion to consumers for all the four aspects of brand equity. Brand association gains the most significant influence among the four. Based on this, we may conclude that COSMOS-Standard not only provides the rules for the product makers but also help green products to build their brand equity, and therefore probably brand image. Furthermore, brand equity has a strong relationship with purchase intention which affects brand loyalty.

Based on the statistical results, some assumptions can be clarified: (1) there is positive relationship between purchase intention of brand and products; (2) there is a high relationship between brand equity as a whole and its four dimensions (brand association, brand awareness, perceived quality and brand loyalty). Aaker (1996) comments that brand equity can manifest purchase reasons of consumers and affect their determinations of purchase. Besides, consumers have great trust on eco-labels, even they have no abundant information yet. The purchase intention is reinforced (Cervellon & Carey, 2011). Environmental marketing aims to reduce environmental damage and reinforce green consumers' demands for competitive advantage (Peattie, 2001). Age factor is nothing to do with brand equity and purchase intention in the study. In addition, people who have higher income may have more brand association. Consumers' recognition of different certifications is nothing to do with consumers' brand equity.

### Conclusion

The results indicate that people intend to buy shower products more than facial products. As a matter of fact, shower products with eco-labels may attract more consumers. The role of organic certification is not only to standardize and

restrain but also make positive influence on brand equity and purchase intention of green products. Through leveraging function, such influence may be intensified. The certification does encourage people to buy shower products through brand association which influence people to think and act positively, and eventually to buy. That is, consumers are highly willing to buy if they notice the brand as a reliable one and may strengthen their loyalty and devotion towards the brand. Product producers should develop and maintain a good brand which may benefit product sales and promote brand value.

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