

CHAPTER 1

INTRODUCTION

1.1 Research Background

Nowadays, what people consume is increasingly complex. In addition to clothing, food, and shelter, their need for self-beauty is also essential. Attention to the body and appearance represents a self-image, which can lead to increased consumption of beauty products (Kim & Seok, 2009).

The cosmetics industry has been contributing to creating environmentally friendly products. Innovations in environmentally friendly cosmetics products have built interest and attracted consumers to use green products. It is also supported by the rising trend of seeking and using natural materials and additives. Shifting from synthetic to natural materials was related to the apparent health and environmental issues. Green cosmetics are not only environmentally friendly but also use organic ingredients. In practice, there are two types of green cosmetics: natural and organic.

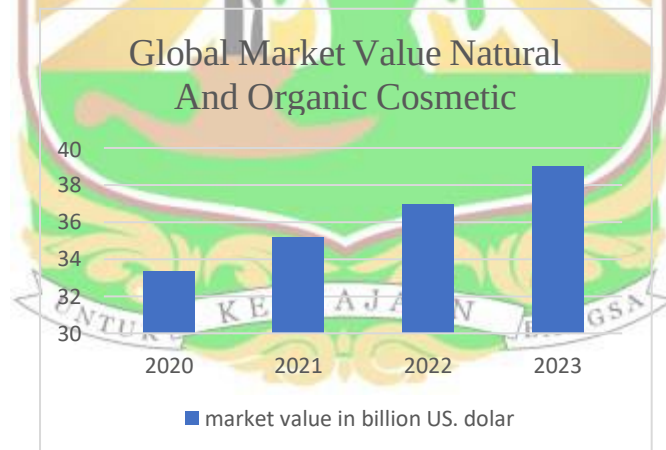


Figure 1 Global market value for nature and organic cosmetic

Source: (Statista.2022)

The data above is evidence of the increasing importance of the natural and organic beauty market. Consumer awareness in choosing products is growing from time to time, especially for personal consumer goods in the case of cosmetics. A majority of consumers tend to choose natural and organic cosmetics. As stated by

Kim & Seock, (2009) the increasing public demand for the use of natural materials and environmentally friendly lifestyles goes hand in hand with public concern for the environment and hazardous materials containing chemicals. That is why skincare and cosmetics companies specifically cater to the trend of using natural ingredients to strengthen their marketing strategies

Cosmetics are similar to their role as human beauticians for the beauty of the human body. However, cosmetics can also be detrimental to the environment and pose a potential threat to organisms. There are several dangerous ingredients contained in cosmetic products that increase their usefulness or benefits. Suppose these substances or materials are polluted by nature and exceed the environment's and organisms' carrying capacity. In that case, it will impact humans and the entire ecosystem and can be damaged and problematic to recover (Chen & Li, 2021). Ecological problems caused by cosmetics are more pressing problems compared to drugs. This is because cosmetics are used in large quantities and are used continuously throughout life.

Climate change, global warming, health concerns, and environmental issues are antecedents of green in purchasing decisions (Kong et al., 2014). In addition, the increasing green movement has dramatically helped change communities' mindset, Behavior, and environmental awareness. Increasing environmental awareness among the communities creates growth opportunities in the environmentally friendly product sector. However, companies must also remain competitive. The existence of competitiveness, legitimacy, and responsibility for the environment encourages companies to act environmentally friendly. Consumers' willingness to make decisions to consume or buy green products is one of the actual human actions to reduce the rate of environmental damage (Lee et al, 2016). Consumer awareness to preserve the environment will create more attention to the depletion of natural resources. At the same time, health and environmental damage will strengthen the interest in green products. Ultimately, consumers expect personal benefits from environmentally friendly products (Nguyen et al., 2019).

Green marketing is all marketing activities designed to produce and facilitate all changes expected to satisfy human needs and desires, with minimal

impact on damage to the natural environment (Lam et al., 2016a). Green customers require companies to care about their environment by paying attention to the impact resulting from the process of production, distribution, consumption, and disposal of a product on health, social, and ecological arising from production. The Company positively views environmental issues as an opportunity to meet the needs and desires of consumers.

Common problems in cosmetics are entered on the potential risks of dangerous chemicals to human health. In addition, the content of solid chemicals can pollute the environment (Lin et al., 2018). Using cosmetics means that a person applies many chemical compounds to the skin's surface to increase self-confidence. For this reason, it must be ensured that these cosmetics are safe and valuable according to their function and do not contain prohibited ingredients or chemicals (Nugroho, 2022). Cosmetic products may contain ingredients that are unclear in terms of safety or are even known to influence health negatively (Amasa et al., 2012). The reaction can be skin irritation (Lin et al., 2018). There is a negative impact on health due to using skincare that contains chemicals, making consumers more aware of their health by switching to environmentally friendly products.



Figure 2 Survey the consumer's reason for choosing a product

Source: (Zab Beauty Index 2023)

Consumer concern for beauty products is in line with a Zab Beauty Index 2023 survey. The data shows that 79.6% of Indonesian women choose product safety as the primary consideration when choosing skin care. The second primary consideration of consumers when they want to buy a product is the ingredients, where 68.5% of women pay attention to the ingredients in skin care products. Despite attention to product safety and security, the production and use of chemicals in cosmetics continue to grow worldwide, especially in developing countries. This trend is likely the result of insufficient attention to the adverse effects of chemical substances. Thus, multisectoral action is urgently needed to protect human health from the harmful effects of chemicals that are managed improperly. To avoid being exposed to the harmful effects, consumers need to buy cosmetics products from companies committed to using and preserving the natural ingredients that they produce.

In Indonesia, the cosmetic market comprises local and foreign brands. Lately, Korean brands have gained increasing popularity among consumers. The common term to mention cosmetics from Korea is Korean beauty, which mainly consists of makeup and skincare products. However, the industry's and consumers' attention are much more focused on the skincare product. Skincare is a series of external treatments for the skin and face that are carried out based on our skin type so that the skin remains healthy. Skincare includes cleansing, serum, moisturizer, toner, sheet mask, sunscreen, and body lotion. According to the general survey, skin care is always associated with the world of women because people already know that cosmetics are always associated with feminism. However, men have already paid attention to their physical appearance. In Indonesia, purchases of skincare products by men have increased (Facetofeet, 2021). This trend can be seen in men's use of skincare (facial washing soap) to treat their facial skin (Jakpat, 2021). In 2024, it is estimated that the skincare market for men will grow with a target of 81.2 billion dollars; in 2025, it is predicted to grow with a target of 27.54 billion USD (March 2021).

Some Korean skincare products use pure natural ingredients, which makes these products well-known for making facial skin glow naturally (Koreana, 2018).

The natural ingredients add product value and become criteria for avoiding cosmetics that contain various harmful chemicals that will undoubtedly impact long-term health (Rizkyani, suryanto 2020). The raw materials used, such as green tea, ginseng, aloe vera, and camellia flowers, are among the most prominent reasons Indonesian people love cosmetics from South Korea (Wardhani, 2018). It can be reflected by the popularity of Korean products in Indonesia.

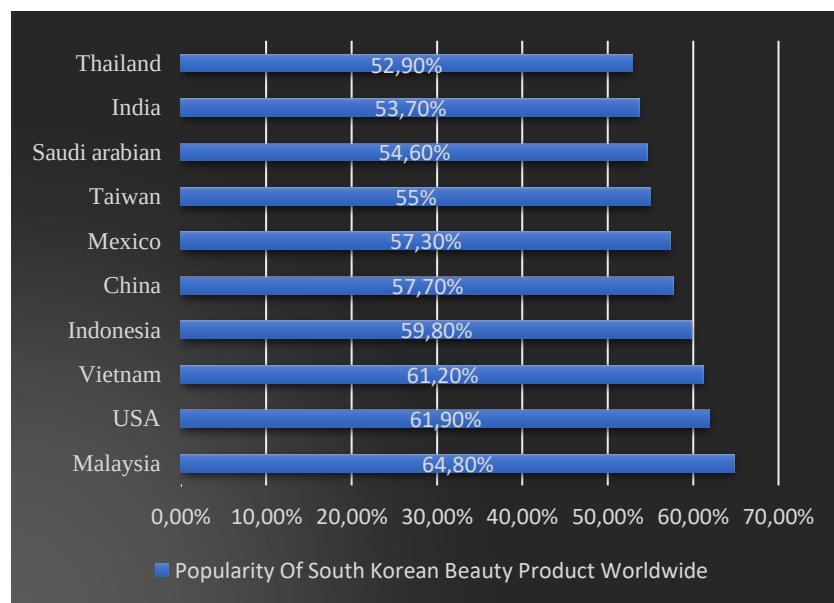


Figure 3 Popularity of South Korean beauty products worldwide

Source: (Statista,2023)

Figure 1.4 shows that most fans of K-beauty products come from Asian countries. Indonesia is on the list at number 4, with users reaching 60%. Indonesian women were admitting to using South Korean cosmetics and skin care products. Some Korean products officially entering Indonesia are oriented to the environment and contain natural ingredients. Cosmetic brands from South Korea that have entered the cosmetic market in Indonesia, such as Laneige, Innisfree, Nature Republic, The Face Shop, etc., which opened stores in several cities in Indonesia, such as Jakarta, Surabaya, Jogjakarta, Bandung, Medan, Pekanbaru, Bali, Kalimantan, Batam.

Table 1
Official Store of Korea Brand Cosmetics in Indonesia

Brand Korea Beauty	Store
Innisfree	Jakarta, Tangerang, Bandung, Jogja, Surabaya, Medan, Bogor, Bali (Innisfree,2023)
Natural republic	Jakarta, Tangerang, Yogyakarta, Medan, Surabaya, Batam, Pekanbaru, Palembang, Bali, Samarinda, Bandung, Makassar,
The face shope	Jakarta, Bekasi, Semarang, Surabaya, Medan
Laneige	Jakarta, Tangerang, Bandung, Semarang, Surabaya, Yogyakarta, Medan, Bali.
Nacifc	Jakarta, Surabaya

Source: Innisfree (2023), Natural Republic (2023), The Face Shop (2023), Laneige (2023)

In Southeast Asia, Indonesia is one of the largest markets for Korean cosmetic products. It has one of the most enormous K-pop fanbases, which makes it significantly influenced by Korean culture. Indonesian consumers adopt the beauty culture embraced by Korean people who prioritize the appearance of healthy and glowing skin and emphasize the use of skin care products, such as the use of masks, serums, moisturizers, and sunscreens, instead of using makeup products to cover deficiencies in the skin (Putri, 2017). However, Ingrain (2022) mentioned that the public needs to learn about natural and environmentally friendly products in Indonesia. The lack of public awareness in Indonesia about environmentally friendly products causes fewer environmentally friendly products to circulate in the community. Since the markets and companies for green products are still small, this phenomenon is worth it for further study in developing countries.

This research focuses on Generation Z and Millennials because they are the main target segment of Korean cosmetics. In addition, generation Z and Millennials are the largest population in Indonesia. Generation Z dominates Indonesia's population, followed by millennials. Based on data from the Central Statistics Agency (BPS), around 27.94% of the population in the country comes from the generation born in 1997-2012 and the millennial generation born in 1981-1996 with a population of 25.87%. According to the results of the Poll (JakPat) survey in September 2022, it shows that the younger generation, especially millennials and Gen Z, are now increasingly concerned about environmental issues (Datakita,2022).

Consumers perceive green products as environmentally friendly products that can make consumers feel satisfied. Satisfied consumers tend to make repeat purchases (Liang et al.,2018). Green re-purchase intention is a green buying Behavior where consumers respond positively to the quality of environmentally friendly products and intend to revisit or re-consume environmentally friendly products (Lam et al., 2016). Various factors influence consumer buying interest, one of which is the increasing public concern for the environment, public concern for health, and green perceived value

According to Arifin et al, (2016), environmental awareness is increasing individual awareness of the environment accompanied by efforts to foster environmental awareness and preserve the environment with values that have a positive impact on the environment. Environmental awareness is one of the things that can influence repurchase intentions. Environmental awareness itself is an effort that involves the community in growing and fostering awareness with the aim of preserving the environment based on environmental values so that they can be at peace with their natural environment (Paramita et al.,2015). The cause of the emergence of environmental awareness is environmental ethics which is based on values that lead to the position of humans as part of nature. Therefore, currently the term going green is popular as a form of public awareness of environmental damage, according to study by Kumar & Ghodeswar (2015) states that people are starting to have a willingness to support environmental protection, be responsible and look for information related to environmentally friendly products. According to Costa et al.,

(2021) environmental awareness is a variable that can influence an individual's perception which leads to intention in purchasing a product, which can be seen from consumption actions that reflect environmental awareness, when they buy, use and dispose of environmentally friendly products. Therefore, this consumer behavior can be used and utilized by companies as a benchmark in developing product innovations to suit current phenomena and also what potential consumers want.

According to Fauziah (2019) consumers who care about health will adopt a healthy lifestyle, they tend to take preventive measures of health impacts, such as paying attention to what they consume and starting a healthy lifestyle by diligently exercising. According kim&seock (2019) health consciousness serves as a driving motivation for purchasing or selecting environmentally friendly beauty products. The results show that health consciousness influences customers' choices in purchasing environmentally friendly cosmetic products. Customers who care deeply about their health will check the safety of products when applied to their skin. According to the perception of some consumers, health issues are a high concern which makes them immediately use green products to stay healthy because the safety of product ingredients and the nature of the ingredients of manufactured products will be taken into consideration by consumers who have a higher level of health awareness when purchasing organic skin care products. compared to consumers who have a low level of health awareness. (Abdulsahib et al., 2019).

Another factor that influences green repurchase intention is green perceived value. Consumers who feel or benefit from green products tend to make repurchases. According to Chen and Chang (2012), green perceived value (GPV) refers to a value that is thought to be based on consumers' expectations of products that are environmentally friendly. If customers believe they are receiving a better value than that provided by other suppliers, they may decide to repurchase the same product from the same company or brand (Wu et al. 2014). a study by Sweeney and Soutar's (2001) states that purchase intentions will decrease if the perceived value is poor. According to Nguyen (2019), perceived green value influences repurchase intentions of organic cosmetics in Vietnam.

Maintain a business and develop competitive advantage, it is very important to maintain consumer repurchase intentions because the costs of attracting potential customers will be much greater than retaining existing customers (Kuo et al.,2013). In Indonesia, the consumer market for beauty products, especially organic cosmetics, has enormous potential to be developed. So, actions to keep customers buying the products or services a business sells will be critical to long-term success. As a result, this research will help managers, marketers and producers find out what aspects make consumers continue to buy so they can make plans to increase consumers repurchase intentions.

Based on the background above, researchers are interested in conducting research on the topic "The Influence of Environmental Awareness, Health Awareness, and Green Perceived Value on Green Repurchases Intention K-Beauty Skincare products in Indonesia".

1.2 Problem Statement

Based on the background description, the formulation of the problem in research is as follows:

- 1) The Effect of Environmental Awareness on Green Repurchases Intention of K-Beauty Skincare Products in Indonesia?
- 2) The Effect of Health Consciousness on Green Repurchases Intention of K-Beauty Skincare Products in Indonesia?
- 3) The Effect of Green Perceived Value on Green Repurchases Intention of K-Beauty Skincare Products in Indonesia?

1.3 Research Objective

Based on the formulation of the problem, the objectives of this research are:

- 1) To determine the impact of environmental awareness on green repurchase intention K-beauty skincare products in Indonesia

- 2) To determine the impact of health consciousness on green repurchase intention K-beauty skincare products in Indonesia
- 3) To determine the impact of green perceived value on green repurchase intention K-beauty skincare products in Indonesia

1.4 Research Benefit

1.4.1 Theoretical Benefits

For Education, this research should be a reference related to the world of education and knowledge for researchers who pursue research development. The results of this study are expected to enrich theories and concepts that support the development of marketing management science, especially knowledge about the effect of Environmental Awareness, Health Consciousness, Green Perceived Value on Green Repurchases Intention K-Beauty Skincare Products.

1.4.2 Practical Benefits

- 1) Managerial

This research is expected to be taken into consideration by companies to consider the strategies used by companies and can improve marketing strategies in facing business competition, especially the beauty industry to attract and maintain consumer interest in rebuying products

- 2) Readers

Through this research, the authors hope to be able to provide up-to-date knowledge and insights for readers in selecting and deciding to purchase a product, particularly those connected to the issue being investigated.

- 3) Researcher

Through this research, the authors are expected to gain experience and new knowledge about theories in marketing. The author also hopes to be able to apply the theories in this research to the world of work.

1.5 Scope of The Research

The scope of this study is the writer focused on the influence of environmental awareness, healthy consciousness, and green perceived value as an independent variable and on intention to green repurchases as a dependent variable. The object of this investigation could be a customer of green K-beauty skincare in Indonesia.

1.6 Outline of Research

CHAPTER I: INTRODUCTION

This chapter explains why this research is important, what makes it interesting, and what makes it different from another research. It includes writing systematics, the problem's background, the formulation of the problem, the goals of the research, the benefits of the research, and the scope of the research.

CHAPTER II: LITERATURE REVIEW

This chapter provides a theoretical foundation that clarifies the theory consumer behavior, environment awareness, health consciousness, green perceived value and green repurchase intention. In addition, previous research, frameworks, and hypotheses are discussed in this chapter.

CHAPTER III: RESEARCH METHODS

This chapter is almost the same as the research methods section in the proposal, but the elements discussed are more detailed and precise. For example, the number and

sampling technique can be stated with certainty and the importance of explaining the operational definition of research variables which contains descriptions of the variables used in research and the sources of reports.

CHAPTER IV: RESULTS AND DISCUSSION

This chapter describes the results of the analysis that consists of the characteristics of the respondents, descriptions of research variables, data testing, as well as discussions and research results to answer research problems.

CHAPTER V: CLOSING

The contents of this chapter include the research conclusions, the consequences of the research results, the limitations of this research, and recommendation.

