Building green brand trust of environmental-conscious consumers by using identity-based brand management on the example of natural cosmetic brands

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Abstract. The study investigates the formation of green brand trust from an identity-based brand management point of view between environmental-conscious consumers' perceptions and a green brand. The study is conducted on the example of natural cosmetics.

Structural equation modelling was used to test from literature review derived hypotheses. The final analysis is conducted by using a partial least squares approach.

The findings show that green brand trust is significantly influenced by green brand green image. The environmental utilitarian benefits have the strongest positive impact on green brand trust through green brand image. Green perceived risk was not proven significant.

Keywords: green brand trust, consumer-brand identification, green marketing

1   INTRODUCTION

Green marketing has received a lot of attention during the last decade owing it to the rising environmental awareness of the general public (Belz & Peattie, 2013). Consumers are becoming increasingly aware of the availability of ecological products and some are willing to pay a premium price for it, which puts many businesses on the map that are eager to cover environmental concerns with their goals, practices and strategies (Peattie, 2001). Besides the possibility of fostering sales, multiple companies are seeing an advantage in sustainable economic actions to reduce expenses and foster environmental performance (Huang & Li, 2017). Not only cost-savings but also pressure of external stakeholders let companies face the need of sustainability (Chen & Chang, 2013). Businesses therefore want to brand their products or services as environmentally friendly. Green branding is thus seen as an important strategy to gain relevant environmental advantages over the competition (Huang & Li, 2017; Belz & Peattie, 2013; Chen, 2008).

Sustainability aware consumers in particular are doubtful about green claims and can have a great influence on the success or failure of a brand. Whenever a brand claims to be sustainable, it has to be sustainable from the inside, build a congruent perception of its identity internally and image externally (Weigand, 2017).

Next to industries like food, fashion or energy, the awareness about natural cosmetic products is increasing as well. Generally, the cosmetics industry is a large market that has grown steadily within recent years (Roberts, 2021).

1.1 STATE OF RESEARCH

Depending on the research goal, green brand trust (GBT) was looked at from several perspectives. GBT was examined both as a endogen variable (Bashir et al., 2020) as well as taking in a mediating role (Martínez, 2015). Antecedents of brand trust include brand satisfaction, brand image and brand personality (Song, Wang, and Han, 2019; Valette-Florence & Valette-Florence, 2020; Bekk et al., 2016) whereas known affected variables of brand trust are brand loyalty as well as brand equity (Ansary & Hashim, 2018; Nikhashemi et al., 2015).

Looking at the antecedents, brand image was identified as a crucial aspect of brands as such (Lin & Zhou, 2020) and as a mediating role between different constructs (Ansary & Hashim, 2018; Bashir et al., 2020). During the research, it became apparent that brand image is often associated with the variables brand attitude (Ansary & Hashim, 2018; Foroudi, 2019), brand preference (Sääksjärvi & Samiee, 2011) and brand satisfaction (Chen, 2010). Consequently, brand image has often been studied together with brand trust. Researchers largely agree that an image influences trust and is therefore a predecessor of brand trust (Martínez, 2015; Nikhashemi et al., 2015; Song, Wang, and Han, 2019). The majority of studies focused on conventional brands, but within the past years, the interest towards green acting companies got more attention, which is why numbers of studies with a sustainable context were increasing (Bekk et al., 2016; Gadeikiene, Banyte, and Kasiuliene, 2021; Arbouw, Ballantine, and Ozanne, 2019). There is very little research within the field of cosmetic brands, especially natural or organic care products. In the few cases, in which the cosmetics industry is used, it refers predominantly to luxury brands and their perception (Ajitha & Sivakumar, 2017) and how the influence of social media affects consumers as well as their buying behaviour on beauty products (Watanabe, Kim, and Park, 2021; Chung & Kim, 2020). Within the context of natural cosmetic brands connected to GBT, no research was to be found, which is why this study will make a meaningful contribution especially for brand managers in this business area.

1.2 1.2 RESEARCH QUESTION

How can the environmental-conscious consumers' green brand trust be fostered from an identity-based brand management point of view within the natural cosmetics industry in Austria and Germany?

2   DEVELOPMENT OF HYPOTHESES

Based on the literature review, the following research model consisting of five hypotheses, relying on past findings and theories, was conducted. It takes an identity-based brand management kind of view, integrating the recent development of green perceived risk and aims to understand which of the chosen factors have a significant influence on GBT.

H1: Brand environmental utilitarian benefits positively influence green brand image. (J. Lin, Lobo und Leckie, 2017)

H2: Brand self-expressive benefits positively influence green brand image. (J. Lin, Lobo und Leckie, 2017)

H3: Green brand image positively influences green brand trust (Assaker, O'Connor, and El-Haddad, 2020)

H4: Consumer-brand identification positively influences green brand trust. (He, Li und Harris, 2012; Nikhashemi et al., 2015)

H5: Green perceived risk negatively effects green brand trust. (Koehn, 2003; Chen & Chang, 2013

3   DESIGN AND RESULTS

A total sample size of n=131 was accomplished, so meaningful results were expected. The preceded screening questions ensured an environmental-conscious mind-set of the participants, their Austrian or German background as well as knowledge about one of the preselected 17 green cosmetic brands. The total sample consists of 51% Austrian and 49% German participants, of which 88% are female. The data collection process was conducted through an online-based questionnaire. In order to analyse the collected data, PLS-SEM was applied.
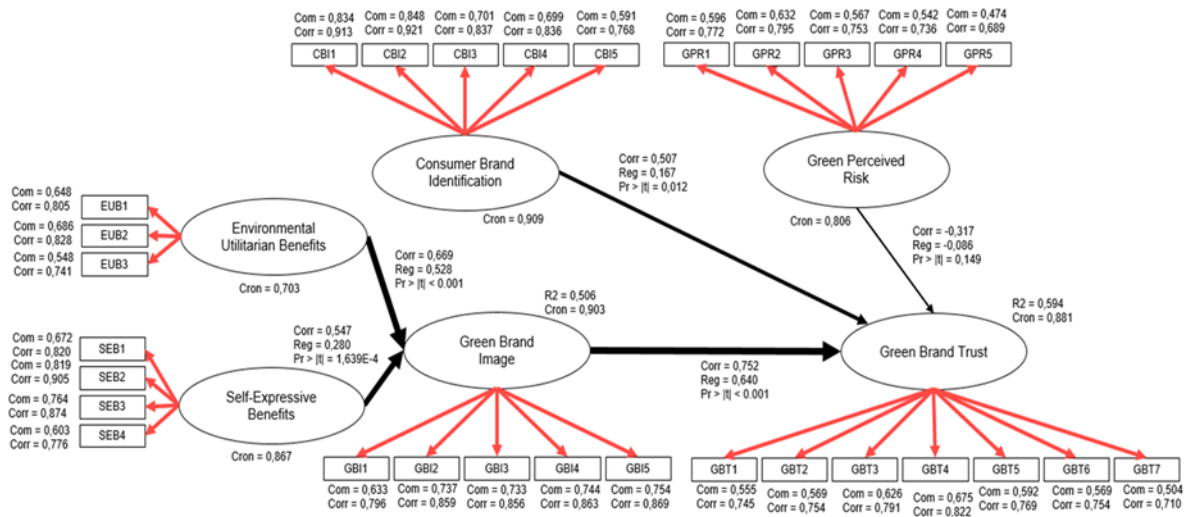
Figure 1. Results of PLS-SEM (own illustration)

The results of the GBT model depicted that an acceptable part of the variance of the endogenous LVs could be explained by the model (Figure 1).

Four out of five hypotheses in total were supported. Table 1 shows the results of path analysis for this study. Both EUB (β = .528; p = .001) and SEB (β = .280; p = .0001) positively influence GBI, where LV EUB is almost twice as high as SEB. Thus, H1 and H2 are supported. GBI has a strong impact on GBT (β = .640; p =.001), while there was a rather weak relation between CBI and GBT (β = .167; p = .012). Despite this, both H3 and H4 are supported. However, the relation between GPR and GBT was not supported since the significant level is above the threshold (β = -.086; p = .149).

Hypotheses	Structural relationships	Path coefficient β	Results
H1	EUB → GBI	.528*	supported
H2	SEB → GBI	.280*	supported
H3	GBI → GBT	.640*	supported
H4	CBI → GBT	.167*	supported
H5	GPR→ GBT	-.086	not supported
*Note: *Pr>|t| < 0.05*			

Table 1. Evaluation of hypotheses GBT

4   DISCUSSION

The results show that GPR towards a green brand does have a negative effect on building a trusting relationship, but do not show a significant influence. Out of the results, it also evolves that establishing a trusting relationship with environmental conscious consumers in Austria and Germany must be seen from a longitudinal perspective. Even though GBI does explain in this study a major part of GBT, it is preceded by further variables that build on each other to ultimately generate trust, as the EUB and SEB variables do with building the image of a green brand. With the overall aim to foster GBT, managers have to carefully consider which variables they focus on. Based on the study results, it is recommended to concentrate on functional benefits, that indirectly have a positive influence on GBT through GBI. The main limitation of the study is the concentration on the natural cosmetics sector. Natural cosmetics are predominantly no high involvement purchases, which is why consumers hardly engage in depth with the brand's identity itself. Further, at least one of the 17 preselected brands must have been familiar to the participants, which does not ensure that they knew the chosen green brand's identity by heart.

These results bring novel insights into the sustainability branding literature within the natural cosmetic business in Austria and Germany leaving room for further studies within different sectors for researcher who wish to take a sustainability perspective on branding efforts.

5   KEY REFERENCES

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