

GREEN MARKETING AND CONSUMER DECISION MAKING: Evidence of Pertamina Biofuels Indonesia

Rizky Ramadhan¹⁾ and Martha Fani Cahyandito²⁾
Department of Management and Business, Faculty of Economics,
Universitas Padjadjaran
Jalan Dipati Ukur 35 Bandung 40132 Indonesia
Email: rizkyramadhan15@yahoo.com¹⁾, cahyandito@yahoo.com²⁾

Abstract

Environmental sustainability in the last decade has become critical issue. Corporate responsibility towards the environment plays an important role in business today and the future, because the current environmental crisis threatens everyone everywhere, now and in the future. As one of Indonesia's state-owned companies who runs its business in oil and gas industry, Pertamina is very much aware of this. To contribute itself in sustaining the environment, the company launched the product Pertamina 'biofuels'. Launching this product is not an easy task in the middle of low environmental awareness of the Indonesian citizen. Thus, the product was accompanied by green marketing strategy with a hope to influence and trigger customer's buying interest and decision-making.

This research aims to explore the green marketing strategy of Pertamina biofuels, how consumers response to green marketing performance of Pertamina biofuels, and how large the influence of Pertamina's green marketing on consumer decision making for biofuel product is. The method used is mixed method, which combines quantitative and qualitative data. Interviews were conducted to key informant people of Pertamina. Meanwhile a structured questionnaire was used to obtain data from the customer. Data is analyzed using path analysis method.

Result shows that although the implementation of green marketing strategy of Pertamina has not yet performed optimally, consumer response to the application of green marketing in Pertamina is relatively in good category. The overall result of green marketing Pertamina shows positive effect on consumer decision making in the consumer retail outlets in Greater Jakarta area.

Keywords: Green marketing, consumer behaviour, consumer decision making, renewable energy, biofuel, Indonesia.

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