

# CHAPTER I

## INTRODUCTION

### 1.1 Research Background

The global community's awareness of the importance of environmental conservation is growing, fueled by fears of an environmental disaster that threatens not only human health, but also the survival of humans and their descendants. Stated in marketing magazine (2009: 42) in Foundation (2021) stating: "The average percentage of Indonesian consumers who have concerns about environmental issues already above 90%". This is the starting point for Indonesian consumers to consider the environment. Air pollution caused by the use of motorized vehicles is one of the causes of environmental pollution. Vehicles are currently a necessary mode of transportation in everyday life. Land transportation, air transportation, and sea transportation are the three modes of transportation. Transportation is extremely beneficial to humans, beginning with the economic transfer of people to their destinations. Individual and group communities can benefit from social benefits, which can be used to provide services to the community. Human life becomes more efficient as a result of transportation because it can shorten the distance between the place and the destination area. Because of the increasing human population, the automotive industry, as a provider of land transportation equipment, must produce motorized vehicles in order to meet the needs of fulfilling land vehicle needs vehicle transportation tools to support human life (Foundation, 2021).

Vehicles' negative effects include air pollution or environmental pollution in the air. Vehicle smoke is a source of pollution from the daily pollution produced by four- wheeled vehicles, cars, and other motorized vehicles. Air pollution has a wide range of negative consequences, ranging from health issues to major environmental damage, such as global warming. Global warming is a long-term effect of air pollution. Long-term exposure to high-level air pollution will contribute to global warming and jeopardize environmental security. According to data from Ministry of Environment and Forestry's Directorate General of Environmental Pollution and Damage Control, the average PM 2.5 concentration

in Indonesia has increased from 40.7 micrograms/m<sup>3</sup> in 2020 to 34.3 micrograms/m<sup>3</sup> in 2021. However, poor air quality in Indonesia's most populous cities continues to endanger residents. DKI Jakarta has the worst air quality in 2021. In 2021, the average annual PM 2.5 concentration in Jakarta will be 39.2 micrograms/m<sup>3</sup>. The government, through the Ministry of Industry, has created a program to reduce the impact of environmental damage caused by motorized vehicles, called the low cost green car (LCGC). The LCGC program is a regulation provided by the government for car-type vehicles produced based on environmentally friendly standards from the Ministry of Industry (Listiana & Fakhri, 2020). This reinforces researchers' efforts to conduct research on environmentally friendly vehicles that can reduce the level of air pollution caused by vehicles, which is one of the causes of air pollution. If air pollution is tolerated and accepted as normal, in the future it will cause adverse effects on human health. One of the innovations carried out by the automotive industry includes issuing environmentally friendly cars powered by electric power. Recently, one of the automotive brands that has become a topic of discussion in the community is Tesla, Tesla is one of the electric car manufacturers that arguably dominated the electric car market at the beginning of its era. however, the price is quite fantastic, making people think twice about switching to this electric car made by Tesla. Hyundai comes with an electric car that is quite economical in its class. Hyundai, a South Korean car manufacturer, introduced the Ioniq 5 to the market at a price that is still economical in its class (Publik, 2022).

The emergence of awareness of environmental and health problems has triggered the industrial world to present marketing concepts that prioritize environmental and health issues or what is better known as the green marketing concept. According to Yazdanifard and Mercy (2011) in Puspitasari et al., (2021) a marketing approach based on environmental conservation is a new breakthrough in the field of marketing which is expected to provide large market opportunities that can create satisfaction for consumers and profits for business people. Green marketing is a product marketing strategy concept by producers for the needs of consumers who care about the environment. Along with public awareness of health and environmental issues, a business strategy with the green marketing concept has become a promising business opportunity (Puspitasari et al., 2021).

Hyundai through the Ioniq 5 also brings the concept of Green Marketing through Green Advertising for promotional advertisements for Hyundai Ioniq 5 products. The term green marketing came to the Marketers' concern for the environment has come to the fore. Green marketing consequently becomes an alternate strategy that not only benefits the company's image but also adds value to the company's bottom line. According to Prothero and Fitchett in the Journal of Macro marketing (2000, 20: 46) in Auto2000 (2021) "Marketers' awareness of the environment began to grow a long time ago, this is evidenced by marketing activities a few years ago successfully signaling green issues through green symbols and designs and advertising campaigns regularly depicting the image of nature, clean living, and a harmonious environment on the addition of different signals on a number of consumer goods" (Auto2000, 2021).

Today's increasingly rapid business developments require companies to keep up with the times with increasingly diverse products. Competition is a determinant of the success or failure of a company. The competition will be successfully won if the company can create and retain customers (Setyowati & Wasil, 2023).

According to Pride and Ferrell, 1993 in Chaniago et al., (2020) green marketing is regarded to be capable of enhancing the integration of environmental issues in all elements of a company's activity, from strategy formation, planning, and preparation to manufacturing and distribution or distribution with clients. Green marketing is described as an organization's or company's endeavor to design, promote, price, and distribute products that do not affect the environment.

Advertising is one of the most dependable methods of promoting a product or service. Many businesses budget heavily for this activity. With the advancement of technology, the end of an advertisement is becoming more modern and attractive. Creating an advertisement, however, is not as simple as it appears. Even for advertisements that are only seconds away, a complex creative process is sometimes required. However, an advertisement must be easily digestible by the target consumers in order for the message to be effectively recognized. Blessing We know from advertisements that there are services for sending goods abroad that arrive in the destination country in just one day. Advertising has increased the demand for a product or service. The impact of advertising also allows the audience to know and get the impression that a company cares about and is environmentally friendly. To display environmentally sound advertisements, the

company should ideally have an environmental program or activity. It can take the form of a manufacturing process, but it can also take the form of environmentally friendly products or services. There is no way an advertisement can claim that a product is environmentally friendly when it is not. According to one of the rules of advertising etiquette in Indonesia, an advertisement must be truthful in its claims (Prasetyo & Nurudin, 2019).

According to Dikmen (2010: 120) in Manongko & AllenAch (2011) green advertising is a popular type of marketing. Green advertising is a type of advertising development. Advertising is used to make the public aware of the company's products. When marketers send messages, information, news, or offers to their target consumers, they must make them want to hear, see, and read it, but green advertising not only invites people to buy the product offered, but it also invites consumers to join the environmental movement. Some businesses have begun to use the term Green Advertising. Companies began to use environmental issues to meet the wants and needs of their customers. The company began to use the environment in their marketing activities, and various green products are beginning to be issued, but it is extremely difficult for the company. Eco-friendly products are being introduced. As a result, the company must be smart in introducing it by making green advertising as appealing to consumers as possible. The emergence of the term green advertising forces businesses to think of innovative ways to create advertisements that elicit favorable responses from consumers. A good company can deal with differences in consumer attitudes toward environmentally friendly products. The company introduces its green product through green advertisements with various themes such as corporate image, labels company, or recycling logo, demonstrating that the company uses eco-friendly advertising (Manongko & AllenAch, 2011).

According to Alamsyah, Othman, and Muhammad (2020) in Hasanah et al., (2023) describe green advertising as the promotion of products related to the environment, a green lifestyle, and a company image building campaign related to environmental responsibility. Advertising objectives according to Alamsyah, et al. (2020) in Hasanah et al., (2023) is to inform the existence of the product, educate regarding the environmentally friendly value of the product, gain trust, and be a good public service advertisement. According to Luo, et al., (2020) in Hasanah et al., (2023) the success of creating an advertisement can be assessed when sales will

increase because the information utility that consumers feel about the advertisement is high. According to Winarno (2019); Sun, Luo, Wang et al. (2021) in Hasanah et al., (2023) provide results that green advertising influences the decision to purchase green products because it provides information and highlights environmentally friendly messages so that it is attractive to make a purchase.

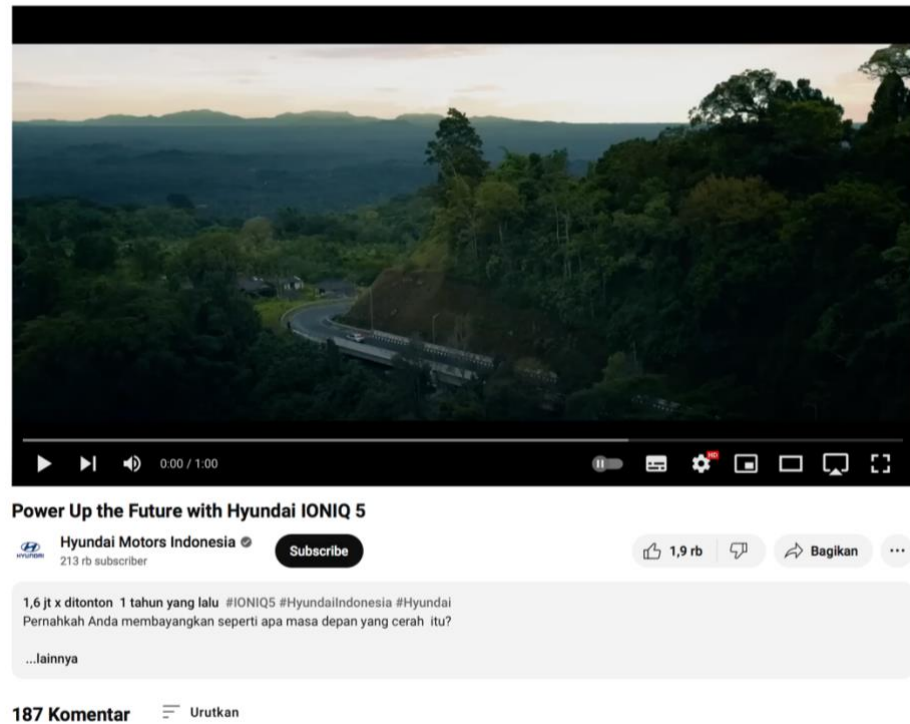
The urge to do an activity is referred to as interest or intention (intention). The presence of interest can elicit a desire to purchase the company's items. According Cobb-Walgren, Ruble, and Donthu (1995: 28) in Prothero & Fitchett (2000) define buying interest as a mental statement made by consumers that reflects on their intention to purchase a product from a specific brand. So, in general, if someone wants to buy something, it is usually influenced by factors such as encouragement and specific considerations. According to Jogianto (2000: 25) in Prothero & Fitchett (2000), interest is a person's tendency to be drawn to a specific object that is regarded as the most important, whereas need for achievement is the desire to achieve a specific goal. A sense of attraction to something supported by a need for achievement will form a motivation that is eventually manifested in behavior. As a result, interest or intention (intention) is the desire to engage in behavior. As a result, the presence of this So, the presence of this individual interest can give rise to the desire of consumers to make purchases (Prothero & Fitchett, 2000).

According to Irfanita, et al., (2021) in Willyana et al., (2023) environmental awareness is a person's awareness of the importance of protecting the environment and understanding the fragility of the surrounding environment. Environmental awareness begins with an understanding of the environmental movement or what is known as environmentalism. Environmentalism is an ideology that raises the need and responsibility of humans to respect, protect and preserve nature from anthropogenic suffering, namely things caused by humans.

Chung Ju-yung founded Hyundai in 1967, and the company is headquartered in Yangjae-dong, Seocho-gu, Seoul. The company will then expand into Indonesia in 2020. This company's products are currently popular among Indonesians. PT Hyundai is a sales subsidiary and official distributor of the Hyundai Motor Company, an Indonesian automaker. Chung Ju-yung founded the company in 1967, and it is headquartered in Yangjae-dong, Seocho-gu, Seoul. Then, in 2020, PT Hyundai expanded into Indonesia. PT Hyundai's corporate vision is "Progress for Humanity," which means a commitment to providing product lines with

technology that aid in the development of solutions for a more sustainable future. Hyundai will invest USD 1.55 billion in the establishment of its first ASEAN manufacturing facility. PT Hyundai Motor Manufacturing Indonesia will operate this contemporary facility, which will be built on an 8.35 million square foot (77.6 hectare) location in Kota Deltamas, Bekasi (HMMI). The factory is anticipated to start commercial production in the second half of 2021, with a capacity of 150,000 units per year, escalating to a maximum capacity of 250,000 units. Hyundai will use its cutting-edge facility to exhibit its latest goods and technology in Indonesia and other major ASEAN countries. In the long run, Hyundai's manufacturing plant in Indonesia will create thousands of jobs in the region, and the company is establishing world-class electric vehicle (EV) production at its Indonesian factory. PT Hyundai Motor Indonesia received the "Katadata Green Initiative Awards" in the technology and transportation categories. The South Korean automaker is thought to not only sell electric vehicles, but also to develop an eco-friendly vehicle production ecosystem in Indonesia. This award recognizes companies that have initiatives to increase positive environmental impacts and create sustainable systems. "PT Hyundai Motor Indonesia received the award for its commitment to developing the electric vehicle (EV) ecosystem to support Indonesia's energy transition process," said a Katadata Insight Center (KIC) statement at the award ceremony on December 1, 2022 (Hyundai, 2023).

Hyundai Motor Indonesia's green advertising includes a promotion for the release of their latest electric vehicle, the Hyundai Ioniq 5. This one-minute commercial was posted to the official YouTube account. This advertisement was released by PT Hyundai Motor Indonesia in April 2022. This advertisement depicts the Hyundai Ioniq 5's environmentally friendly futuristic product. Below is the "Power Up the Future with Hyundai IONIQ 5" advertisement on Youtube.



**Figure 1.1 Power Up the Future with Hyundai IONIQ 5 Advertising**  
 Source: ([https://www.youtube.com/watch?app=desktop&si=Dg3O-GPojLqd\\_YqC&v=S8cThE8V398&feature=youtu.be](https://www.youtube.com/watch?app=desktop&si=Dg3O-GPojLqd_YqC&v=S8cThE8V398&feature=youtu.be),  
 accessed on 4 February 2024 at 21.30)

From figure 1.1 it can be seen that the Power Up the Future with Hyundai IONIQ 5 advertisement on YouTube received 1.6 million views, 1.9 thousand likes and 187 comments. It can be concluded that people are interested in the Power Up the Future with Hyundai IONIQ 5 Advertisement, apart from that there are 1.6 million people who have liked the Power Up the Future with Hyundai IONIQ 5 Advertisement, and people who have commented on the Power Up the Future Advertisement with Hyundai IONIQ 5 on YouTube media provides positive comments on this advertisement, the Hyundai brand, and the IONIQ 5 car. The "Power Up the Future with Hyundai Ioniq 5" advertisement is categorized as green advertising because it highlights the tourism and eco-friendly aspects of the Hyundai Ioniq 5 electric vehicle. As the Hyundai IONIQ 5 is marketed as a more environmentally friendly solution than fossil fuel vehicles, several features of the Hyundai Ioniq 5 are included in the advertisement, namely the ability to charge from renewable energy, as well as an interior made from recycled materials which are the main attractions in green advertising, and the phrase "Power Up the Future" so that this vehicle supports a cleaner and more environmentally friendly future.

This research has previous research entitled "The Influence of Environmental Awareness and Green Advertising on Green Product Purchasing Decisions" made by Ana Shofwatun Hasanah, Aniek Hindryani, and Leny Noviani (2023). This previous research found that environmental awareness was proven to have an influence on the decision to purchase ecolabeled bottled mineral water. This previous research also found that green advertising influences purchasing decisions. There are similarities between previous research and this research in variable X, namely green advertising. However, there are differences between previous research and this research, namely the difference in variable Y, namely environmental awareness.

Based on [ayosehat.kemkes.go.id](http://ayosehat.kemkes.go.id), air pollution is a serious threat to human health and other living things around the world. Data from WHO shows that air pollution is the cause of 7 million deaths worldwide each year. Not only is it dangerous to human health, air pollution also triggers the formation of smog and acid rain, damages plants and forests, and pollutes the environment. Data from the Air Quality Index, Indonesia as a country with poor pollution with unhealthy air quality, especially in the dry season, and Jakarta is the city with the fifth worst air in the world. The concentration of major pollutants or PM2.5 (air particles) in Jakarta is currently more than 10 times the WHO annual air quality guideline value. The increasing air pollution in Indonesia encourages environmental awareness among people who are starting to use more environmentally friendly products and vehicles in order to reduce environmental damage which is increasing rapidly day by day. This case shows that advertising plays an important role in convincing consumers who are caught in the circle to continue to increase environmental awareness. Based on the phenomena described above, the author is interested in conducting research on PT Hyundai Motor Indonesia's green advertising activities and their impact on environmental awareness (Ambar, 2013).

## **1.2 Research Questions**

How much the influence from the Green Advertising of the Hyundai Ioniq 5 on Environmental Awareness?

### 1.3 Research Purpose

Based on the problems that have been described, the purpose of this study was to measure the influence of green advertising Hyundai Ioniq 5 on environmental awareness.

### 1.4 Research Benefits

#### 1.4.1 Theoretical Aspects

This research is expected to add insight into the green advertising and can be used as sara information to improve insight and knowledge of the extent of the influence of environmental concerns with consumers environmental awareness. In addition it can used as a reference for subsequent research.

#### 1.4.2 Aspects of Practitioners

This research is expected to be a reference for Hyundai companies to develop and improve the effectiveness of Hyundai's green advertising, especially in anticipation of a lot of competition. Green advertising as Company Growth Strategy in Improving Company Performance for achieving a competitive advantage thus helping the company to Knowing how much green advertising influences environmental awareness.

### 1.5 Time and Research Period

This research was conducted by taking the research object, namely Yamaha Nmax motorbike users in the city of Bandung, and to conduct this research needed time from 01 November 2023 to 16 February 2024. The following are details of the time and period of research to be carried out:

**Table 1.1 Time and Period of Research**

| No | Research Stages           | Nov | Dec | Jan | Feb | Mar | Apr | Mei | Jun |
|----|---------------------------|-----|-----|-----|-----|-----|-----|-----|-----|
| 1. | Research preparation      |     |     |     |     |     |     |     |     |
| 2. | Determine topic and title |     |     |     |     |     |     |     |     |

|    |                                  |  |  |  |  |  |  |  |  |
|----|----------------------------------|--|--|--|--|--|--|--|--|
| 3. | Arrange<br>Chapter I-III         |  |  |  |  |  |  |  |  |
| 4. | Research<br>Proposal<br>Revision |  |  |  |  |  |  |  |  |
| 5. | Proposal<br>Defense              |  |  |  |  |  |  |  |  |
| 6. | Proposal<br>Defense<br>Revision  |  |  |  |  |  |  |  |  |
| 7. | Research                         |  |  |  |  |  |  |  |  |
| 8. | Arrange<br>Chapter<br>IV-V       |  |  |  |  |  |  |  |  |
| 9. | Thesis<br>Defense                |  |  |  |  |  |  |  |  |

(Source: Researcher Processed Data, 2023)

## 1.6 Systematics of Research Writing

For ease of reading, in general this research will be divided into five chapters consisting of:

### CHAPTER I INTRODUCTION

1.1 Background

1.2 Problem Identification

1.3 Research Objectives

1.4 Purpose of Research

1.5 Time and Research Period

1.6 Systematic Research

### CHAPTER II LITERATURE REVIEW

2.1 Summary of Theory

2.2 Previous Research

2.3 Research Framework

2.4 Research Hypothesis

## 2.5 Research Scope

### CHAPTER III RESEARCH METHOD

#### 3.1 Types of Research

#### 3.2 Operationalization of Variables & Measurement Scales

#### 3.3 Population and Sample

#### 3.4 Data Collection Techniques

#### 3.5 Validity and Reliability Test

#### 3.6 Data Analysis Techniques

### CHAPTER IV

#### 4.1 Characteristics of Respondents

#### 4.2 Research Results

#### 4.3 Research Discussion

### B.B.V

#### 5.1 Conclusion

#### 5.2 Suggestions