

CHAPTER I

INTRODUCTION

1.1 Overview of Research Object

1.1.1 Company Profile

LocknLock is a household and kitchenware brand from South Korea. The company was founded by Kim Joon-il in 1978 under the name Kukjin Retail Co., which was later changed to Hana Mart Co. in 1987. In March 2002, the company officially rebranded to LocknLock Co., Ltd., reflecting its focus on innovative storage products, particularly air-tight and leak-proof solutions (LocknLock, 2024).

LocknLock operates under a deep commitment to both its customers and the environment. The company's philosophy is centered on creating products and values that connect people's daily lives with joy, love, and vitality. These products and values build a platform that fosters interaction and positive connections among people. The brand's dedication to sustainability is reflected in its continuous initiatives to develop environmentally friendly products, minimizing waste and supporting environmentally conscious living. Through innovation and a focus on quality, LocknLock strives to help future generations enjoy a more environmentally friendly lifestyle (LocknLock, 2024).

1.1.2 Brand Logo

The following is the LocknLock brand logo presented in Figure 1.1.



Figure 1. 1 LocknLock Logo

Source: locknlock.com

Based on Figure 1.1, the LocknLock symbol incorporates the 'Roman L' to abstractly represent its products and values, while the 'underline' distinctly symbolizes the concept of connection and platform. This design reflects

LocknLock's commitment to creating products and values that connect life with living, vibrancy, and love (LocknLock, 2024).

1.1.3 Business Scale

LocknLock operates both physical and online stores to market its products. The company uses its online store to reach customers across Indonesia, compensating for the limited number of physical locations. Here are various locations of LocknLock's physical and online stores situated in Indonesia:

a. Physical Stores

- LocknLock Pacific Place, Jakarta Selatan
- LocknLock Lotte Shopping Avenue, Jakarta Selatan
- LocknLock AEON Mall Jakarta Garden City, Jakarta Timur
- LocknLock Lippo Mall Puri St. Moritz, Jakarta Barat
- LocknLock Mall Taman Anggrek, Jakarta Barat
- LocknLock Margocity, Depok

b. Online Stores

- Shopee (shopee.co.id/locknlock.id)
- Tokopedia (tokopedia.com/locknlock-id)
- Lazada (lazada.co.id/shop/locknlock-indonesia)
- Blibli (blibli.com/merchant/locknlock)
- TikTok (tiktok.com/@locknlock.indonesia)
- Instagram (instagram.com/locknlockindonesia)
- FEELBUY (<http://www.feelbuy.co.id/>)

1.1.4 LocknLock Products



Figure 1. 2 LocknLock Products

Source: locknlock.com

LocknLock offers a wide selection of products, which are categorized into four main areas namely food container, beverageware, cookware and small appliance. Each category has a wide range of options designed for various needs and individual interests. For example, in the cookware category, there are three types of products, including convenient use, kitchen tools, and specially designed products. Furthermore, the small appliances category includes only two types of products, namely kitchen appliances and personal care devices. These products are available in a variety of shapes and sizes, which is made to meet what clients need (Locknlock, 2024).

Additionally, LocknLock has expanded its reach through licensing agreements and brand collaborations, with such as Disney, One Piece, Sanrio, Zanyang Loopy, Line Friends, Esther Bunny, etc (Locknlock.com, 2024). Here is an image showcasing one of Locknlock's collaborations with One Piece:



Figure 1. 3 One Piece x LocknLock Collection

Source: [instagram.com/locknlockindonesia](https://www.instagram.com/locknlockindonesia)

Furthermore, as stated on its official website, LocknLock operates its own laboratory and design center, where the company conducts extensive research and development to innovate and refine its products. These facilities are critical to ensure that each product meets the highest standards of quality, functionality and design (LocknLock, 2024).

1.2 Research Background

The world is facing numerous resource and environmental challenges, including global warming, deposition of long-lasting waste, and the detrimental effects of various pollutants. Among these pressing issues, deposition of long-lasting waste, particularly plastic pollution stands out as a significant environmental problem. Over 400 million tons of plastics are pumped out worldwide every year. (Bencheikh et al., 2023). According to Our World in Data (as cited in Idris et al., 2024), global plastic waste production has been increasing steadily, starting from just 2 million tons in 1950 to 381 million tons per year by 2015. Furthermore, ASEAN also declared a reduction in the use of single-use plastics and problematic plastics, accordance to the UN SDG 12 and 14, as well as the UN Convention on the Law of the Sea (ASEAN Main Portal, 2024).

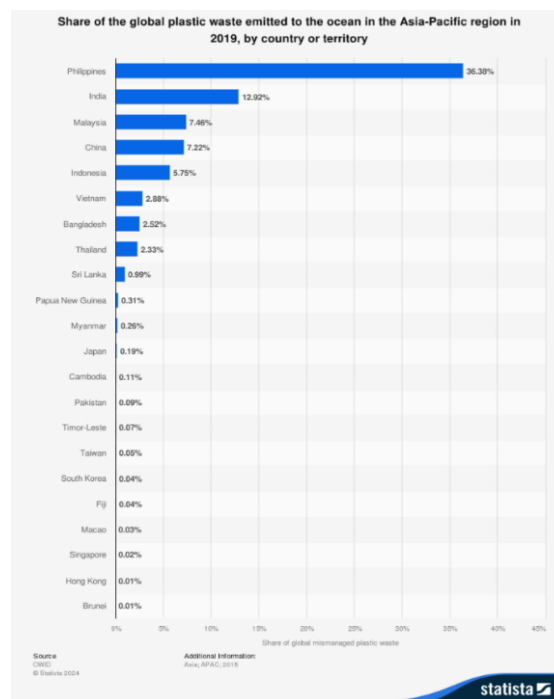


Figure 1. 4 Global Plastic Waste in Asia-Pacific Region in 2019

Source: Statista (2024b)

Figure 1.4 shows the significant environmental challenges in the Asia-Pacific region. This data, however, suggests that Indonesians still have limited awareness of environmental issues by contributing 5.75% of plastic pollution, indicating that their environmental knowledge remains low. This situation calls for

public action to reduce reliance on plastics, support waste management practices, and advocate for sustainable alternatives. Increasing education about the impacts of plastic pollution, along with a goal to reduce single-use plastics, can be critical in addressing this environmental problem.



Figure 1. 5 Indonesian Painful Problems

Source: Frost & Sullivan, 2014 (as cited in Indrawati et al., 2019)

Figure 1.5 further explores urban challenges in Indonesia include extreme congestion on traffic, frequent floodings, rampant illegal street market, hazardous road quality, lack of security and crime prevention, incompetent governance, low standard of education, poor waste management, and a lacking healthcare for the people. Among challenges mentioned, waste management, especially plastic waste, stands out as a critical issue that not only impacts the physical environment but also shows unawareness of poverty within the society. Problem of plastic waste managements in Indonesia remains a major challenge due to limited waste management infrastructure and high leakage of plastic waste into the environment. Currently, around 58% of plastic waste in Indonesia is unmanaged, and most recycling relies on the informal sector which only accounts for 10% of total plastic waste. This results in significant environmental pollution where various types of plastic dominate municipal waste (Zahrah et al., 2024).

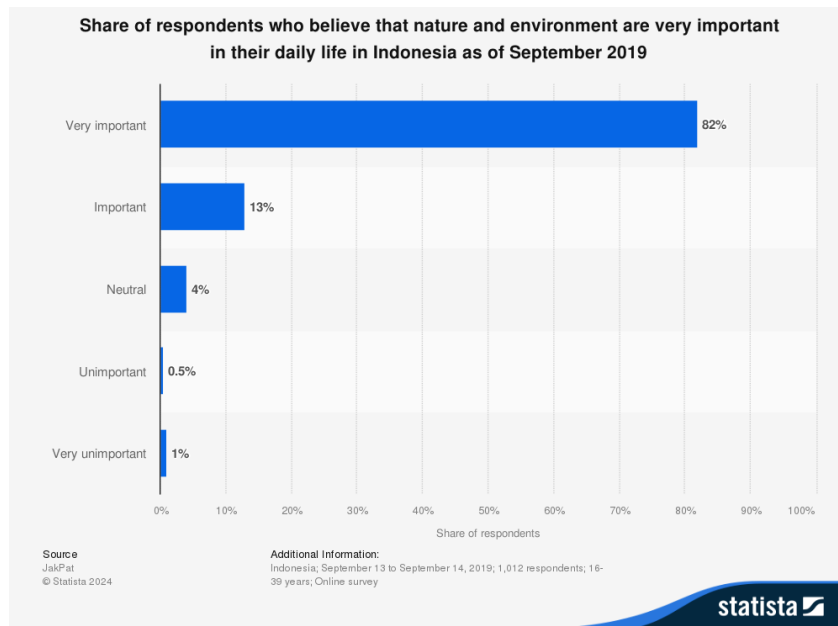


Figure 1. 6 Importance of Nature and Environment in Daily Life 2019

Source: Statista (2024a)

Figure 1.6 shows that this high level of awareness provides a valuable foundation for tackling pressing environmental problems, such as marine plastic pollution. With Indonesia ranked as the fifth-largest contributor to global marine plastic waste (as shown in Figure 1.4), this public concern could drive more sustainable practices. The strong environmental values indicated in Figure 1.6 make it easier to implement policies such as minimizing single-use plastics, enhancing waste management systems, and encourage utilizing sustainable products. These efforts are further strengthened by the enactment of Presidential Regulation No. 111/2022 on the implementation of the SDGs in Indonesia, which highlights the importance of environmental sustainability as a core pillar of national development, providing a comprehensive framework to address marine plastic waste issues.

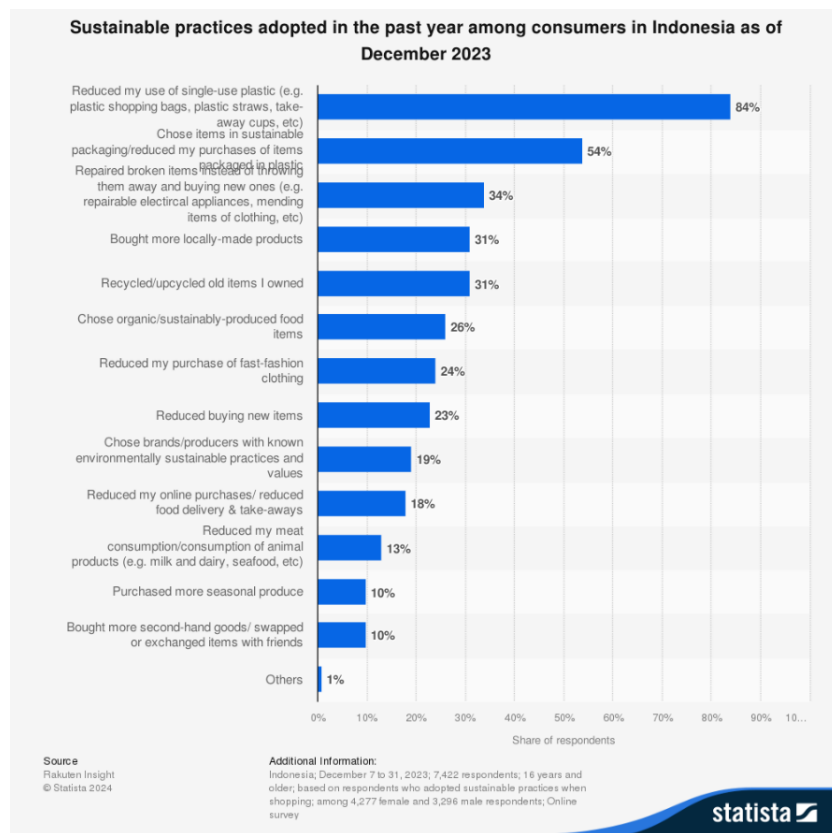


Figure 1. 7 Sustainable Practices in the Past Year in Indonesia 2023

Source: Statista (2024c)

Figure 1.7 shows that 84% of sustainable practice efforts that have been carried out by Indonesian respondents are by reducing the use of single-use plastics. This trend aligns with the widespread environmental awareness indicated in Figure 1.6, where the majority of Indonesians in a 2019 survey rated the environment as "very important" in their daily lives. The data in Figure 1.6 reflects a growing willingness among Indonesians to change their habits in favor of environmental protection. These changes not only address the immediate problem of plastic waste but also signal a greater willingness to adopt eco-friendly products and policies that reduce environmental impacts. Overall, Figures 1.6, and 1.7 suggest that while Indonesia faces challenges in managing plastic pollution, there is significant public support for sustainable change, which could be critical in reducing the country's overall contribution to global plastic waste.

According to Simanjuntak et al. (2023), ever-increasing awareness of issues regarding environments affects sustainable goods on everyday practices,

making the demands for it increased. Similarly, Wijekoon & Sabri (2021), also found that increased environmental awareness significantly impacts purchasing interest, indicating that greater knowledge increases people's inclination toward sustainable products. This correlation suggests that consumers are inclined to prioritize sustainable choices over conventional ones because being more well-informed about the impact of their own purchasing decisions. Such awareness not only fosters a sense of responsibility but also empowers consumers to act accordingly that fits their moral beliefs, thereby driving demand for environmentally friendly products. Furthermore, Lin et al. (2024) emphasize that consumers that has a higher knowledge regarding environmental things tend to share positive words particularly when it comes to eco-friendly products. WOM often spreads more quickly and effectively than traditional marketing strategies, making it very useful towards building consumer behavior as well as their purchasing intentions.



Figure 1. 8 LocknLock Campaign

Source: locknlock.com

One of the popular eco-friendly brands in Indonesia is LocknLock, known for its affordable prices, diverse product range, and reusable drinkware. The brand has garnered attention for its strong commitment to sustainability and high-quality design. LocknLock has become a trend by launching several eco-friendly

campaigns, including “Campus Tumbler Day”, which encourages Indonesian students to reduce plastic bottle waste by using reusable tumblers, with the hashtag #BawaTumblerSendiri (Mix Marcomm, 2024).

As consumer awareness has grown, businesses have begun to employ green marketing to deliver ecologically conscious alternatives (Parsoya, 2021). LocknLock’s success is a great example of green marketing, where brands promote environmental responsibility to appeal to eco-conscious consumers. LocknLock’s strategy that focuses on sustainability as a core element of its brand identity. The company has committed to reducing its environmental footprint by designing products that can be reused, helping to reduce single-use plastics. For example, LocknLock’s drinkware, including bottles and tumblers, are built from BPA-free plastics, PFOA-free coatings, and other materials that are safer for both people and the environment, which helps prevent plastic waste from entering landfills and oceans. Additionally, LocknLock has eliminated single-use plastic from its packaging, making a significant effort to reduce environmental impact.

LocknLock also actively participates in environmental sustainability through its “Change” campaign, which has been running since 2009. This initiative focuses on resource recycling and upcycling old plastic food containers, promoting a circular economy. In addition, the company contributes to community welfare by donating kitchen and household items to public interest projects. The proceeds from these donations support underprivileged groups and environmental causes. Furthermore, LocknLock launched the Green Mate initiative in 2013, which empowers university students to adopt and advocate for eco-friendly practices. This initiative promotes the "zero-waste" culture and encourages sustainable behaviors in daily life. LocknLock’s commitment to environmental responsibility is also demonstrated through its global initiatives, such as the annual Global Flogging Day, where employees from around the world participate in environmental cleanup efforts, further reinforcing the company’s dedication to sustainability. This initiative not only supports sustainability but also promotes a sense of social responsibility among consumer (LocknLock, 2024a).

Studies show that such strategies work well when they align with consumers' beliefs about the environment (Majeed et al., 2022). As more people grow aware of needs to reduce plastic waste, brands like LocknLock stand out by offering a sustainable alternative to single-use items. LocknLock has effectively built a strong green brand image through a variety of environmentally conscious initiatives, which have been met with positive consumer responses. According to Kotler & Keller (2016), word of mouth is particularly influential because it originates from authentic consumer experiences, making it more trustworthy than traditional marketing. LocknLock's focus on quality and sustainability has naturally encouraged satisfied customers to share their experiences, turning them into advocates for the brand. These customers not only appreciate the practicality of LocknLock products but also view them as a reflection of their commitment to an environmentally conscious lifestyle. This dynamic is evident in campaigns like Campus Tumbler Day, where university students enthusiastically participate and amplify the brand's message through their engagement and personal network (Warta Ekonomi, 2024).

Moreover, discussions related to LocknLock products have been widespread on across different social media platforms, including Instagram, TikTok, and various other platform mentioned in 1.1.3. On these platforms, users often share information, reviews, and recommendations related to their experience using LocknLock products, both for household needs, food storage, and other purposes. This eWOM activity that occurs online provides significant benefits, including wider dissemination of information about products and more personalized and trustworthy consumer experiences. This not only facilitates consumers in evaluating product quality based on real-life experiences but also contributes significantly to shaping the brand image of LocknLock.

Category	2023	2022	2021	2020
Sales	484,764	521,216	543,038	501,985

Figure 1. 9 LocknLock Sales in 2020-2023

Source: LocknLock (2024b)

Figure 1.9 shows that LocknLock's sales from 2020 to 2023 has a generally stable performance, with some fluctuations. In 2020, the brand achieved sales of 501,985 million KRW despite international disruptions due to COVID-19, reflecting strong consumer loyalty. The following year, 2021, saw a significant increase to 543,038 million KRW, likely driven by a recovery from the pandemic and a growing interest in home-related products. However, in 2022, sales slightly declined to 521,216 million KRW, possibly due to market challenges like supply chain issues and inflation. The decline continued in 2023, with sales dropping to 484,764 million KRW. Despite this slight decrease, LocknLock's sales remain strong and consistent, indicating that the brand continues to maintain a solid market position and consumer interest, even in the face of external challenges, proving that LocknLock has managed to maintain its appeal in the market.

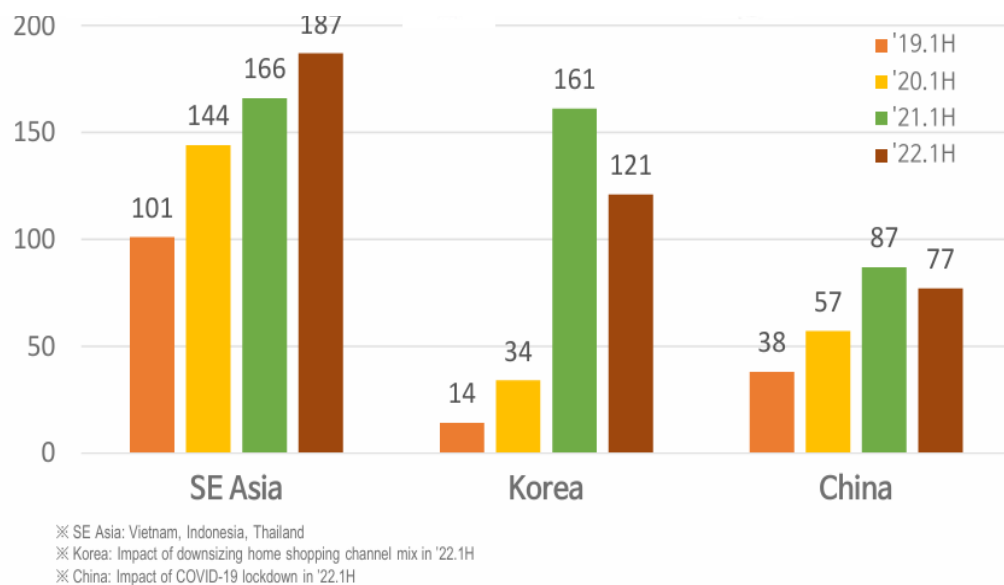


Figure 1. 10 Proactive scale-up of SE Asia Market

Source: LocknLock (2024b)

The figures highlight the proactive scale increase of Southeast Asia markets (Vietnam, Indonesia, and Thailand), which shows its remarkable growth compared to Korea and China. Over the four periods ('19.1H to '22.1H), Southeast Asia has seen a consistent and significant increase from 101 to 187, reflecting successful efforts to expand market presence and tap into the growing consumer demand in the region. Among them, Indonesia has a huge potential due to its large

population, growing middle class, and increasing awareness of digital markets and consumers. This steady and strong growth of Southeast Asia markets underlines the importance of the region as a key driver for future expansion and a key opportunity for businesses to invest and grow.

(KRW mn)	2Q20	2Q21	YoY	1H20	1H21	YoY
Other markets	6,941	7,982	15.0%	13,848	17,277	24.8%
Container	2,822	2,852	1.1%	5,729	5,050	-11.8%
Beverage	921	1,471	59.6%	3,173	3,133	-1.3%
Cookware	1,099	719	-34.6%	1,280	1,280	0.0%
Appliance	1,636	1,798	9.9%	2,633	5,750	118.4%
Others	462	1,141	147.0%	1,034	2,064	99.5%
Online	924	1,744	88.6%	1,775	3,097	74.5%
B2B (특판)	1,661	2,014	21.2%	3,383	6,043	78.6%
Home shopping	1,690	672	-60.3%	2,635	1,521	-42.3%
Wholesale	1,937	1,880	-2.9%	4,506	3,513	-22.0%
Hyper, Store, Event	613	1,325	116.0%	1,336	2,573	92.7%
Others	114	347	203.6%	213	529	148.3%

Figure 1. 11 LocknLock's Sales 2021 in SEA

Source: LocknLock (2024b)

In addition to experiencing market growth, it can be seen in Figure 1.11 that LocknLock's sales in Southeast Asia (SEA) showed impressive growth in 2021 compared to 2020. In the second quarter of 2021 (2Q21), sales increased by 15.0% year-over-year (YoY), rising from 6,941 million KRW in 2Q20 to 7,982 million KRW. This growth reflects the brand's ability to recover and adapt in a challenging market. For the first half of 2021 (1H21), sales grew even stronger, with a 24.8% YoY increase, reaching 17,277 million KRW compared to 13,848 million KRW in 1H20. This growth highlights LocknLock's successful expansion and surging market on sustainable goods within the region, positioning it favorably for continued success in Southeast Asia.

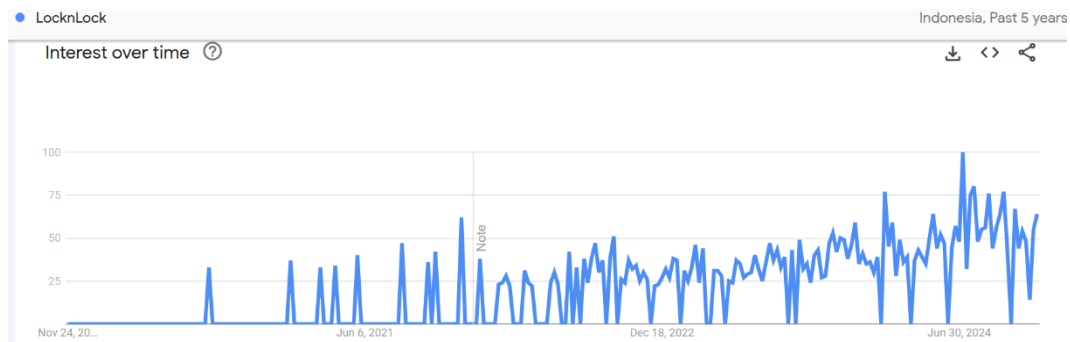


Figure 1.12 LocknLock in Google Trends Over the Past 5 Years

Source: trends.google.com

Figure 1.12 shows the search frequency for the keyword "LocknLock" on Google Trends over the past five years in Indonesia. The graph indicates a steady and gradual increase in interest over time, reflecting a growing curiosity among Indonesian consumers about the brand, particularly for its eco-friendly products. Despite its relatively higher price, the consistent search activity suggests that people continue to seek more information about LocknLock. Leong et al. (2022) explained that if goods or services that consumers interested are likely to be thoroughly researched beforehand by them. The ongoing search trends in Figure 1.12 indicate that many consumers are genuinely interested in LocknLock and are evaluating its potential as a sustainable and eco-friendly choice.

In previous research, Simanjuntak et al. (2023), has examined factors such as environmental knowledge, WOM, and green marketing as the main influences on consumers' willingness to buy eco-friendly products, with ecological perception as its intermediary. This study shows its importance of ecological perception in driving consumer purchasing decisions oriented towards sustainability. However, there is a lack of deeper understanding of how these environmental attitudes interact with brand attributes, especially perception on green branding, especially regarding known brand such as LocknLock. As such, in this research, the gap is sought to be filled by adding green brand image as an intermediary, given its important function by linking LocknLock's product uniqueness with consumer motivations oriented towards the environment.

LocknLock, known for its innovative, eco-friendly design and use of sustainable materials, offers an interesting case study. By adding the green brand

image dimension, this study provides a specific focus on how LocknLock's green brand image influences consumer purchase intention, in addition to the influence of environmental attitudes. This approach allows for a deeper exploration of the relationship between specific brand attributes, such as functional design and eco-friendly materials, and consumer purchase intention. The increasingly competitive green product market is forcing brands to build stronger relationships with environmentally conscious consumers. In case of LocknLock, leveraging the combination of environmental attitudes and green brand image is key to building customer loyalty and increasing sales. Although previous studies such as Simanjuntak et al. (2023) have identified the relationship between environmental knowledge and consumer attitudes, and other studies such as Chen et al. (2020) Majeed et al. (2022), and Ha et al. (2022) have examined the effect of green brand image on purchase intention, no study has integrated these two mediators in a brand-specific context such as LocknLock.

Therefore, this study examines how environmental knowledge, eWOM, and green marketing influence consumer purchase intention for LocknLock products, with environmental attitudes and green brand image as mediators. By understanding the interaction of these two mediators. Thus, it is expected for this research to give meaningful insights, especially for brands in promoting environmentally friendly products and building stronger relationships with environmentally conscious consumers. Based on this context, this study is entitled **"The Impact of Environmental Knowledge, eWOM, and Green Marketing on Purchase Intention: The Role of Environmental Care Attitudes and Green Brand Image in the LocknLock Brand."**

1.3 Problem Formulation

In an increasingly sustainability-oriented business landscape, brands like LocknLock play a significant role in offering eco-friendly solutions to address global issues such as plastic waste. By capitalizing on green marketing trends and environmental awareness campaigns, LocknLock has successfully built an image as a brand committed to sustainability. This strategy not only attracts consumers

who are concerned about the environment but also strengthens LocknLock's position in the market as a pioneer of eco-friendly products.

However, despite the growing demand for sustainable products, companies still face challenges in understanding the factors that truly drive consumer purchasing intentions. Environmental knowledge, electronic word-of-mouth (eWOM) and green marketing have been shown to influence purchase intent, but how these elements interact with sustainability issues such as green brand image and environmental attitudes has yet to be fully utilized. For companies, understanding these dynamics is key to developing marketing strategies that not only boost sales but also enhance long-term relationships with consumers who are becoming more conscious of the significance of environmental responsibility.

From an academic perspective, previous research has identified the relationship between environmental knowledge, WOM, and green marketing with consumer purchase intention with environmental care attitude as a mediator, but there is still a gap in understanding the role of green brand image as another mediator in the relationship, especially in the context of specific brands such as LocknLock. Additionally, a lot of previously studied researches have focused on environmental awareness and green marketing as well as its roles, yet few have examined how these factors interact with green brand image to influence purchase intention in emerging markets such as Indonesia. Which is why the research gap is addressed by investigating how a green brand image can enhance the interlink between knowledge regarding environments and purchasing intention, while also emphasizing the role of environmental care attitude as a intermediary role that reinforces the relationship between environmental awareness and purchasing intentions. As such, it is expected for this research to advance further existing academic literature while offering practical insights into companies in designing more effective and sustainable marketing strategies in emerging markets.

Based on the analysis of the context that has been explained, several research questions have been identified that will serve as a foundation for formulating research problem in this study. Thus, the questions are as follows:

1. How much is the rate of environmental knowledge, eWOM, green marketing in LocknLock products based on respondents' perception?
2. How much is the rate of environmental care attitudes and green brand image in LocknLock products based on respondents' perceptions?
3. How much is the rate of purchase intention in LocknLock products based on respondents' perceptions?
4. Does environmental knowledge, eWOM, green marketing positively and significantly influence respondents' environmental care attitudes toward LocknLock products?
5. Does environmental knowledge, eWOM, green marketing positively and significantly influence green brand image of LocknLock products?
6. Does environmental knowledge, eWOM, green marketing positively and significantly influence purchase intention of LocknLock products?
7. Does environmental care attitude positively and significantly mediate the relationship between environmental knowledge, eWOM, and green marketing, and consumers' intention to purchase LocknLock products?
8. Does green brand image positively and significantly mediate the relationship between environmental knowledge, eWOM, green marketing and consumers' intention to purchase LocknLock products?

1.4 Research Objectives

Based on the research questions, the research objectives are as follows:

1. To know the rate of environmental knowledge, eWOM, and green marketing in LocknLock based on respondents' perceptions.
2. To know the rate of environmental care attitudes and green brand image in LocknLock based on respondents' perceptions.

3. To know the rate of purchase intention in LocknLock based on respondents' perceptions.
4. To find out whether environmental knowledge, eWOM and green marketing positively and significantly influence environmental care attitudes towards LocknLock products.
5. To find out whether environmental knowledge, eWOM and green marketing positively and significantly influence green brand image towards LocknLock products.
6. To find out whether environmental knowledge, eWOM and green marketing positively and significantly influence purchase intention of LocknLock products.
7. To find out whether environmental care attitude positively and significantly mediate the relationship between environmental knowledge, eWOM, green marketing and consumers' intention to purchase LocknLock products?
8. To find out whether green brand image positively and significantly mediate the relationship between environmental knowledge, eWOM, green marketing and consumers' intention to purchase LocknLock products?

1.5 Research Benefits

1.5.1 Theoretical Aspect

It is expected for this study to be a meaningful resource that enhances understanding of the dynamics between environmental knowledge, eWOM, green marketing, environmental care attitudes, green brand image and purchase intention. By contributing empirical evidence to the previously studied research, it aims to broaden the theoretical framework related to consumer behavior and brand management. Furthermore, it is anticipated that this research will prompt future researchers to explore additional dimensions of these relationships, particularly in contexts similar to that of LocknLock.

1.5.2 Practical Aspect

This study offers practical advantages for various stakeholders. For LocknLock, the findings provide valuable insights into how attitudes toward environmental care and a green brand image affect consumer purchasing intentions. These insights are anticipated to help the company refine its marketing strategies, particularly by enhancing green marketing efforts and utilizing positive electronic word-of-mouth (eWOM), ultimately fostering increased customer loyalty and boosting sales. For the government, the study delivers important information to aid in the formulation of regulatory rules and programs that aid sustainability in business practices and raise public environmental awareness. Through comprehending elements affecting eco-conscious behavior on consumers, policymakers designs more practical initiatives to encourage environmental sustainability. For the author, this research contributes to both academic and professional development by deepening the understanding of the interplay between sustainability, consumer behavior, and marketing strategies. Lastly, for readers, the study acts as a resource for comprehending the connection between environmental factors and consumer purchasing behavior, offering insights applicable to green marketing, brand management, and sustainable business development.

1.6 The Systematics of Mini-Thesis Writing

This mini-thesis is structured into five chapters, each accompanied by a concise explanation of its contents., as follows:

a. CHAPTER I (INTRODUCTION)

This section explains the research briefly and concisely, by detailing its central topic, outlining the context and issues addressed stating its aims, emphasizing its importance, and explaining the layout of the entire mini-thesis.

b. CHAPTER II (LITERATURE REVIEW)

This section covers foundational and specialized theories, relevant prior studies, and the proposed research framework.

c. CHAPTER III (RESEARCH METHODOLOGY)

This section outlines the research approach, methods, and techniques used to collect and analyze data. It includes research types,

variables, population and sample, data collection, validity and reliability tests, and analytical methods.

d. CHAPTER IV (RESULT AND DISCUSSION)

The section systematically delivers the research results, aligning them with the study's objectives while analyzing and contrasting them with earlier findings.

e. CHAPTER V (CONCLUSION)

This section highlights the main results of the study and provides suggestions or recommendations related to the research topic.