

GREEN INNOVATION AND GREEN COMPETITIVE ADVANTAGE MEDIATE THE INFLUENCE OF GREEN MARKETING ORIENTATION ON GREEN MARKETING PERFORMANCE IN SME INDONESIA

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Abstract: This study aims to analyze the relationship between green innovation and green competitive advantage mediating the influence of environmentally friendly marketing orientation on the performance of environmentally friendly marketing using the SEM-PLS analysis tool in Indonesian MSMEs. The target population of this study is consumers who have purchased or shown interest in environmentally friendly products in the Indonesian context. To collect the necessary data, the purposive sampling method will be used. This method allows the selection of participants based on certain criteria relevant to the purpose of the study. A total of 200 individuals who are consumers of environmentally friendly products in Indonesia will be selected as respondents. The results of this study Green Innovation (GI) has a significant effect on Environmental Marketing Performance (EMP). Green Marketing Orientation (MO) has a significant effect on Environmental Marketing Performance (EMP). Green Marketing Orientation (MO) has a significant effect on Green Competitive Advantage (GCA). Green Marketing Orientation (MO) has a significant effect on Green Innovation (GI). Green Marketing Orientation (MO) has a significant effect on Environmental Marketing Performance (EMP) through on Green Competitive Advantage (GCA). Green Marketing Orientation (MO) has a significant effect on Environmental Marketing Performance (EMP) through Green Innovation (GI).

Keywords: *Green Innovation, Green Competitive Advantage, Green Marketing Orientation, Green Marketing Performance*

Submitted: 2023-11-30; Revised: 2023-12-11; Accepted: 2023-12-20

1. Introduction

Increasing global awareness of sustainability has led to increased interest in green marketing as a strategy to maintain a competitive advantage. Green marketing involves the promotion and sale of eco-friendly products and has become an important aspect of business-to-business and business-to-consumer marketing strategies (Prieto-Sandoval et al., 2022). Green marketing is not only about promoting products but also about taking social and environmental responsibility seriously, implementing long-term business processes, standing out in crowded markets, increasing brand credibility, and ensuring long-term growth opportunities. It highlights the multifaceted benefits of incorporating green marketing into

business strategies. Challenges and gaps in green marketing research, including the need for a more comprehensive understanding of consumer perceptions and behaviors towards eco-friendly products and services (Reddy et al., 2023).

Green marketing has influenced companies to develop strategies that promote business sustainability through green innovation. Consumers have also shown interest in green management practices developed by companies, which have led to changes in the behavior of corporate stakeholders to address social, ethical, and environmental sustainability concerns. The Company has quickly accepted and adapted to environmental management systems, minimizing waste, and integrated environmental issues such as voluntary environmental programs and mandatory regulations and the Company's green innovations (Nassani et al., 2023). Green marketing and environmental marketing have developed corporate strategies to achieve performance growth, which is important for the company's future resilience. Many companies need to continuously innovate in technological and marketing innovation to maintain their competitive advantage.

In the context of MSMEs, the implementation of green marketing strategies through the adoption of environmentally friendly business models has been explored as a means to address environmental issues and align with sustainable practices. Green marketing has been a strategic effort to create an environmental and health-based business, and has been known since the late 1980s and early 1990s. Green marketing strategies can contribute to achieving the Sustainable Development Goals (SDGs) and improve the ability to pay for environmentally friendly marketing costs. In conclusion, green marketing has become an important aspect of business-to-business and business-to-consumer marketing strategies, and it can help companies achieve performance growth, maintain their competitive advantage, and align with sustainable practices (Gelderman et al., 2021). This study measures the performance of green marketing in SMEs, closely related to the concepts of green marketing orientation, green innovation, green competitive advantage, and green marketing performance. However, SMEs do not have sufficient organizational capabilities, limited access to market information, weak innovation and product excellence (Lin et al., 2014). Only a small number of SMEs are growth-oriented and have limited capabilities with resources and competitive advantages (Pucci et al., 2017).

2. Research Method

The research methodology used in this study is quantitative and uses Structural Equation Modeling (SEM) with Partial Least Squares (PLS) as the main analysis tool. This study is designed to investigate and analyze consumer behavior with respect to eco-friendly products in the Indonesian market. The target population of this study is consumers who have purchased or shown interest in environmentally friendly products in the Indonesian context. To collect the necessary data, the purposive sampling method will be used. This method allows the selection of participants based on certain criteria relevant to the purpose of the study. A total of 200 individuals who are consumers of environmentally friendly products in Indonesia will be selected as respondents. The data collection instrument will involve Likert scale questionnaires, a widely accepted tool for collecting quantitative data on marketing performance, and related variables. The collected data will then be analyzed using SEM-PLS, a powerful statistical technique suitable for evaluating complex relationships and structural models. This research methodology aims to provide comprehensive insight into the factors influencing consumer behavior in the context of eco-friendly products in the Indonesian

market, highlighting the complex interaction of variables in consumer choices towards eco-friendly and sustainable products

3. Results and Discussion

3.1. Results

Validity

Table 1. Validity

Items	Valid
EMP1	0.847
EMP2	0.707
EMP3	0.831
EMP4	0.751
EMP5	0.701
GCA1	0.851
GCA2	0.773
GCA3	0.798
GCA4	0.717
GCA5	0.782
GCA6	0.518
GI1	0.774
GI2	0.712
GI3	0.729
GI4	0.694
GI5	0.804
MO1	0.820
MO2	0.876
MO3	0.853
MO4	0.803
MO5	0.685

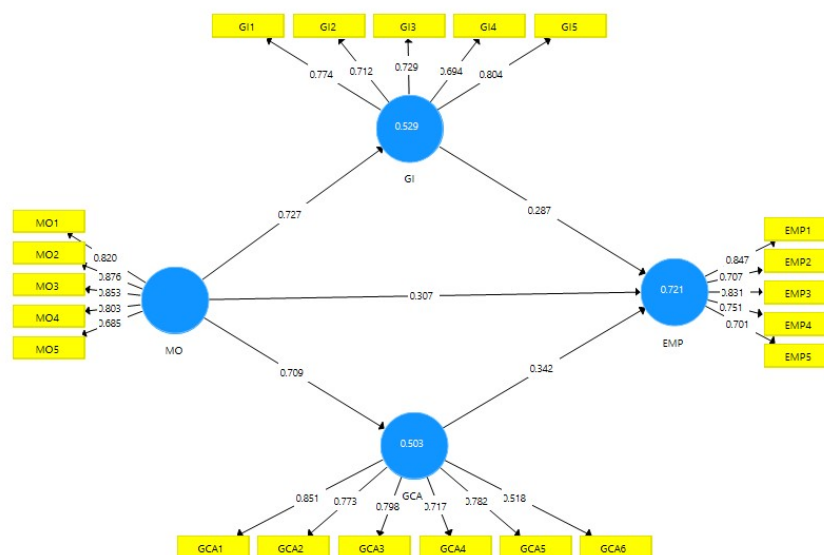


Figure 1. Result Validity

The validity coefficients for individual items within the constructs of Environmental Marketing Performance (EMP), Green Competitive Advantage (GCA), and Green Innovation (GI) demonstrate the robustness and reliability of the measurement instruments. For EMP, all items (EMP1 to EMP5) exhibit strong associations with the construct, indicating their effectiveness in capturing the essence of Environmental Marketing Performance. Similarly, the items for Green Competitive Advantage (GCA1 to GCA5) display high validity coefficients, signifying their reliability in measuring the intended construct. Despite a somewhat lower validity coefficient for GCA6, it still suggests a meaningful connection between this item and Green Competitive Advantage.

In the case of Green Innovation (GI), each item (GI1 to GI5) demonstrates a strong relationship with the construct, highlighting their effectiveness in capturing the concept of Green Innovation. Lastly, for Green Marketing Orientation (MO), all items (MO1 to MO5) exhibit high validity coefficients, underlining their strong associations with the Green Marketing Orientation construct.

Collectively, these findings provide strong assurance about the validity and reliability of the measurement items, bolstering the credibility of the study's constructs. Researchers can have confidence that the selected items effectively capture the intended concepts of Environmental Marketing Performance, Green Competitive Advantage, Green Innovation, and Green Marketing Orientation.

Reliability

Table 2. Realibility

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
EMP	0.827	0.84	0.879	0.593
GCA	0.836	0.85	0.881	0.558
GI	0.798	0.81	0.861	0.553
MO	0.867	0.87	0.905	0.656

The presented values encompass two crucial metrics, Cronbach's Alpha and Average Variance Extracted (AVE), commonly employed in research within the social sciences and psychometrics. Cronbach's Alpha, a measure of internal consistency reliability, gauges the extent to which items within a scale consistently correlate with each other. In this study, Environmental Marketing Performance (EMP) exhibits a commendable Cronbach's Alpha of 0.827, indicating a high level of reliability in measuring this construct. Similarly, both Green Competitive Advantage (GCA) and Green Innovation (GI) show case robust internal consistency, with values of 0.836 and 0.798, respectively. The Green Marketing Orientation (MO) construct excels with a notable Cronbach's Alpha of 0.867, affirming the reliability and consistency of the items measuring this variable.

Turning to Average Variance Extracted (AVE), a metric associated with construct validity, the values further substantiate the reliability of the measurements. AVE values exceeding 0.5 are generally consider acceptable, indicating that the items collectively account for a significant portion of the variance in the construct. Here, the AVE values for EMP, GCA, GI, and MO—0.593, 0.558, 0.553, and 0.656, respectively—all surpass this threshold. This suggests that the indicators within each construct capture a substantial amount of variance, providing strong evidence for convergent validity.

In summation, the combination of high Cronbach's Alpha values and AVE values above 0.5 for EMP, GCA, GI, and MO signifies that the measurement instruments utilized in the study are both reliable and valid. These findings instill confidence in the accuracy and consistency of the constructs under examination, enhancing the credibility of the research outcomes.

R-Square

Table 3. R. Square

	R Square	R Square Adjusted
EMP	0.721	0.717
GCA	0.503	0.501
GI	0.529	0.526

The R-squared values for Environmental Marketing Performance (EMP), Green Competitive Advantage (GCA), and Green Innovation (GI) provide insights into the extent to which these variables are explain by the independent factors within their respective regression models. For EMP, the R-squared value of 0.721 indicates a robust model fit, explaining approximately 72.1% of the variability in Environmental Marketing Performance. This suggests that the chosen predictors or independent variables collectively account for a substantial portion of the observed variations in environmental marketing performance.

Similarly, in the case of Green Competitive Advantage (GCA), the R-squared value of 0.503 signifies that about 50.3% of the variability in GCA is elucidate by the independent variables in the regression model. Although this percentage is slightly lower than that for EMP, it still underscores a significant explanatory power, indicating that the chosen predictors contribute meaningfully to understanding the variations in Green Competitive Advantage.

For Green Innovation (GI), the R-squared value of 0.529 reveals that approximately 52.9% of the variability in GI is account for by the independent variables in the model. This suggests that the factors considered in the regression model play a substantial role in explaining variations in Green Innovation.

In general, a higher R-squared value implies a better fit of the regression model to the data, indicating that a larger proportion of the observed variability in the dependent variable can be attributed to the independent variables. However, it's crucial to interpret these values in the specific context of the study, considering the nature of the variables involved and the broader implications of the relationships captured by the model.

Hypothesis

Table 4. Hypothesis

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
GCA -> EMP	0.342	0.335	0.074	4.627	0.000
GI -> EMP	0.287	0.29	0.065	4.405	0.000
MO -> EMP	0.307	0.312	0.069	4.423	0.000
MO -> GCA	0.709	0.712	0.033	21.616	0.000
MO -> GI	0.727	0.729	0.034	21.379	0.000
MO -> GCA -> EMP	0.243	0.24	0.057	4.24	0.000
MO -> GI -> EMP	0.209	0.211	0.048	4.358	0.000

In the context of green business practices, the variables Green Innovation (GI), Environmental Marketing Performance (EMP), Green Marketing Orientation (MO), and Green Competitive Advantage (GCA) all demonstrate significant effects on one another. Green Innovation, representing the development and adoption of environmentally friendly practices and products, likely plays a pivotal role in shaping a company's Green Marketing Orientation. This orientation, which involves a strategic focus on environmentally conscious marketing efforts, is crucial for companies aiming to achieve a Green Competitive Advantage.

The statistical measures provided in the table, such as T statistics and P values, affirm the significance of these relationships. For instance, the high T statistics and low P values in comparisons like MO to GCA, MO to GI, MO to EMP through GCA, and MO to EMP through to GI indicate that variations in Green Marketing Orientation have a substantial impact on Green Competitive Advantage and Environmental Marketing Performance. This suggests that companies with a strong Green Marketing Orientation are likely to experience a competitive edge in the green business landscape, and this advantage positively influences their environmental marketing performance.

Overall, the interplay between Green Innovation, Green Marketing Orientation, Green Competitive Advantage, and Environmental Marketing Performance underscores the importance of adopting environmentally sustainable practices for businesses seeking not only a competitive edge but also enhanced performance in marketing their commitment to environmental responsibility. The statistical significance of these relationships underscores the relevance and impact of green initiatives across different facets of a business.

3.2. Discussion

Green Competitive Advantage (GCA) has significant effect on Environmental Marketing Performance (EMP)

The statistical analysis employing the T-statistic and P-value strongly supports the assertion that Green Competitive Advantage (GCA) has a significant effect on Environmental Marketing Performance (EMP). The T-statistic of 4.627 indicates a substantial difference between the means of the groups associated with GCA and EMP, emphasizing a notable deviation from what would be expected if there were no genuine effect. Furthermore, the exceptionally low P-value of 0.000 underscores the strong evidence against the null hypothesis, suggesting that the observed difference is highly improbable to be attributed to random chance alone. With a significance level typically set at 0.05, the P-value of 0.000 falls well below this threshold, providing robust statistical support for the conclusion that GCA indeed influences EMP in a meaningful and statistically significant manner.

Green Competitive Advantage (GCA) in Small and Medium-sized Enterprises (SMEs) significantly impacts Environmental Marketing Performance (EMP) (Fitriani, 2017). By cultivating an eco-friendly image, differentiating themselves in the market, and aligning with consumer values, SMEs with GCA enhance consumer appeal and market differentiation. Building trust and a positive reputation through transparent and sustainable practices contributes to the overall success of SMEs. Additionally, GCA fosters cost savings and operational efficiency by promoting resource efficiency and adopting green technologies. The emphasis on regulatory compliance not only reduces legal risks but also positions SMEs for adaptability to evolving environmental standards. Furthermore, GCA provides SMEs with compelling stories for effective marketing, appealing to environmentally conscious consumers and fostering brand loyalty. The result is a community of customers who

appreciate and support sustainable practices, contributing to repeat business and long-term success. Embracing environmental sustainability is not just a responsible choice for SMEs but also a strategic one with considerable potential for positive impacts on both their performance and market positioning.

Green Innovation (GI) has a significant effect on Environmental Marketing Performance (EMP)

The impactful relationship between Green Innovation (GI) and Environmental Marketing Performance (EMP) in Small and Medium-sized Enterprises (SMEs) is underscored by a range of strategic mechanisms (Tjahjadi et al., 2020). First, the emphasis on product and service differentiation allows SMEs to craft eco-friendly offerings, providing a unique selling proposition and conferring a competitive advantage. Second, the adoption of Green Innovation enhances brand image and credibility, projecting a commitment to environmental responsibility and fostering trust among consumers. Third, the responsiveness of SMEs to market trends and their adaptability to changing environmental standards position them as leaders in sustainability, contributing to overall market leadership. Additionally, the operational efficiency and cost savings derived from resource optimization and improved processes further bolster SMEs' capabilities to produce environmentally friendly goods and services. Leveraging Green Innovation in marketing and communication strategies, including storytelling and educational initiatives, becomes a powerful tool for SMEs to connect with environmentally conscious consumers, strengthening brand loyalty. Lastly, the proactive approach to regulatory compliance and future-proofing through the incorporation of sustainable practices positions SMEs to navigate the evolving business landscape with a focus on sustainability. In essence, SMEs that prioritize and integrate Green Innovation into their business strategies are strategically positioned to achieve sustained growth and success in a dynamic and environmentally conscious market environment.

Green Marketing Orientation (MO) has a significant effect on Environmental Marketing Performance (EMP)

The significant impact of Green Marketing Orientation (MO) on Environmental Marketing Performance (EMP) in Small and Medium-sized Enterprises (SMEs) is underscored by a strategic alignment of business practices with environmental values (Nuryakin & Maryati, 2022). By integrating these values into their marketing approach, SMEs exhibit a strong commitment to sustainability, reinforcing this commitment through consistent messaging. Green Marketing Orientation builds consumer trust and fosters positive perceptions by signaling a genuine dedication to environmentally friendly practices, contributing to a positive brand image.

Targeting the eco-conscious consumer segment is a key aspect, allowing SMEs to identify and attract consumers prioritizing environmental sustainability. This strategic approach not only expands market reach but also capitalizes on the increasing demand for sustainable products and services. Moreover, Green Marketing Orientation encourages innovation in product and service development, positioning SMEs as market leaders and ensuring compliance with evolving regulatory expectations related to sustainability.

Educational marketing efforts under Green Marketing Orientation inform consumers about green practices, sustainable sourcing, and environmentally friendly initiatives. SMEs, in this role, contribute to creating broader environmental awareness among consumers. The commitment to performance measurement and continuous improvement, including the

establishment of metrics for environmental impact, allows SMEs to assess and enhance their sustainability efforts, adapt to changing environmental trends, and ensure the relevance and effectiveness of their marketing strategies.

In essence, SMEs that wholeheartedly embrace a Green Marketing Orientation are not only poised to meet the expectations of environmentally conscious consumers but also to drive positive environmental impact. This strategic approach positions SMEs competitively in the market, aligning their operations with sustainability principles while enhancing their overall market performance and competitiveness.

Green Marketing Orientation (MO) has a significant effect on Green Competitive Advantage (GCA)

Green Marketing Orientation (MO) has significant impact of on Green Competitive Advantage (GCA) in Small and Medium-sized Enterprises (SMEs) (Karmel Toryanto & Indriani, 2022; Nuryakin & Maryati, 2022). By integrating sustainability considerations into decision-making, SMEs with a Green Marketing Orientation foster innovation in both products and processes, responding effectively to consumer preferences for eco-friendly options and gaining a competitive edge in the market.

The differentiation achieved through a unique selling proposition based on environmental commitment sets these SMEs apart, capturing the attention and preference of environmentally conscious consumers. This positive brand perception, coupled with a consistently communicated dedication to sustainability, contributes to building a robust and positive brand image. Such enhanced reputation strengthens the competitive advantage of SMEs, positioning them favorably in the market.

Furthermore, the proactive approach to compliance with environmental regulations and standards, coupled with adaptability to evolving requirements, ensures that SMEs not only meet current expectations but also future-proof their operations. Green Marketing Orientation extends beyond direct operations to sustainable supply chain practices, fostering collaboration with eco-friendly suppliers and enhancing the overall sustainability profile of the SME.

The positive stakeholder relationships cultivated through Green Marketing Orientation, involving customers, suppliers, and the local community, further contribute to the overall competitiveness and resilience of SMEs. In essence, SMEs that embrace a Green Marketing Orientation are not only better equipped to compete in a market that increasingly values sustainability but also positioned for long-term success by aligning their operations with principles of environmental responsibility.

Green Marketing Orientation (MO) has a significant effect on Green Innovation (GI)

In conclusion, the significant impact of Green Marketing Orientation (MO) on Green Innovation (GI) within Small and Medium-sized Enterprises (SMEs) is evident through a comprehensive set of mechanisms (Nuryakin & Maryati, 2022). By cultivating a culture of innovation centered around environmental sustainability, SMEs with a Green Marketing Orientation are better equipped to meet the demands of environmentally conscious consumers. The alignment with market trends and continuous adaptation to consumer expectations enhance the innovation-driven approach of these SMEs.

Strategic partnerships and collaborations with stakeholders provide SMEs the opportunity to leverage shared knowledge and resources, facilitating the integration of green

technologies into their operations. This collaborative effort contributes to the development and implementation of innovative and sustainable practices.

The emphasis on innovation as a competitive advantage, coupled with a positive brand association, allows SMEs to differentiate themselves in the market. The positive image associated with Green Marketing Orientation attracts environmentally conscious consumers, contributing to the competitive edge of these SMEs.

Furthermore, the adoption of resource-efficient practices not only promotes environmental sustainability but also results in cost savings. These economic benefits enable SMEs to redirect resources toward research and development efforts for new, sustainable products and services, ensuring the economic viability of their innovations.

The educational aspect of Green Marketing Orientation plays a crucial role in enhancing consumer awareness and appreciation for green innovations. Effective communication strategies create and shape market demand for environmentally friendly products, with the informed consumer base becoming a driving force for the success and widespread adoption of these innovations.

In essence, SMEs that embrace a Green Marketing Orientation demonstrate a commitment to both environmental sustainability and innovation. This dual focus positions them as leaders in the market, meeting the expectations of a consumer base increasingly valuing eco-friendly solutions. Through a holistic approach that integrates green values into business practices, SMEs ensure long-term success in a business landscape that prioritizes environmental responsibility.

Green Competitive Advantage (GCA) mediate relationship between Green Marketing Orientation (MO) on Environmental Marketing Performance (EMP)

Green Competitive Advantage (GCA) mediate relationship between Green Marketing Orientation (MO) on Environmental Marketing Performance (EMP) (Karmel Toryanto & Indriani, 2022; Nuryakin & Maryati, 2022). The mediating role of Green Competitive Advantage (GCA) in the relationship between Green Marketing Orientation (MO) and Environmental Marketing Performance (EMP) in Small and Medium-sized Enterprises (SMEs) underscores a dynamic process of strategic alignment and differentiation. The pathway begins with the initiation of environmentally conscious strategies through a Green Marketing Orientation, fostering a commitment to sustainability. This commitment then catalyzes the cultivation of Green Competitive Advantage, where SMEs leverage distinctive environmental practices and product offerings to differentiate themselves in the market.

The distinctive features embedded in GCA influence consumer perceptions and preferences, aligning with the growing trend of environmentally conscious consumerism. This positive consumer response contributes to an enhanced Environmental Marketing Performance for SMEs, establishing a competitive edge that goes beyond mere differentiation.

Crucially, Green Competitive Advantage acts as a mediator by translating the positive effects of Green Marketing Orientation into tangible and sustainable competitive advantages. This mediation not only influences consumer perceptions but also ensures the longevity and endurance of the competitive edge gained by SMEs over time.

This comprehensive pathway highlights the interconnectedness and synergies among Green Marketing Orientation, Green Competitive Advantage, and Environmental Marketing Performance in the context of SMEs. The ability of SMEs to strategically integrate environmental values, cultivate a distinctive advantage, and sustain their competitive edge

positions them for long-term success in a market increasingly shaped by environmental considerations.

Green Innovation (GI) mediates the relationship between Green Marketing Orientation (MO) on Environmental Marketing Performance (EMP)

Green Innovation (GI) mediate the relationship between Green Marketing Orientation (MO) and Environmental Marketing Performance (EMP) in Small and Medium-sized Enterprises (SMEs) (Iskandar & Febriyantoro, 2019). The pathway begins with the initiation of green strategies by SMEs, guided by a commitment to environmental sustainability through Green Marketing Orientation. This commitment serves as a stimulus for Green Innovation, leading SMEs to invest in research and development, explore eco-friendly technologies, and adopt innovative practices aligned with environmental principles.

Green market orientation boosts corporate performance. Additionally, green innovation mediates the impact of green market orientation on firm performance (Iskandar & Febriyantoro, 2019). Manufacturing MSMEs contribute to Indonesia's environmental issues. Environmental issues must be addressed due to poor corporate practises. In the age of sustainable development, MSMEs must consider environmental, social, and economic aspects that may impact their sustainability. Sustainable, green consumer-focused MSMEs boost company success and contribute to sustainability (Tjahjadi et al., 2020).

Under the influence of Green Marketing Orientation, SMEs introduce environmentally innovative practices into their operations. These practices may include the development of sustainable products, the implementation of green production processes, and the adoption of eco-friendly technologies. These environmentally innovative practices, in turn, become a source of competitive advantage for SMEs, driving differentiation in the market.

The positive impact of Green Innovation extends to how consumers perceive SMEs. Environmentally conscious consumers view innovative, sustainable practices as indicators of a company's commitment to environmental responsibility. This positive perception enhances the reputation of SMEs among environmentally conscious consumers. Small and medium-sized enterprises (SMEs) with imaginative and inventive staff members who create environmentally conscious products tend to consider long-term commitments to environmental sustainability and sustainable development (Setyaningrum et al., 2023).

Building on the Green Innovation initiatives, SMEs experience improved Environmental Marketing Performance. The introduction of environmentally innovative products and practices contributes to market differentiation, increased consumer trust, and positive environmental impact, ultimately leading to enhanced overall marketing performance. Green product innovation is a beneficial strategy leading to sustainable performance, and a firm's innovation strategy guides the way (Li et al., 2023).

Green Innovation serves as a crucial mediator in this relationship. It functions by translating the environmentally oriented initiatives initiated by Green Marketing Orientation into tangible and innovative practices that positively impact marketing performance. The competitive edge gained through Green Innovation is sustained over time, ensuring that SMEs maintain a leading position in the market. The continuous cycle of innovation and adaptation to environmental trends reinforces the positive relationship between Green Marketing Orientation and Environmental Marketing Performance.

In summary, the mediation pathway involving Green Innovation is characterized by the initiation of green strategies, stimulation of innovative practices, positive consumer perceptions, and enhanced marketing performance. Green Innovation acts as a linchpin,

facilitating the translation of environmental commitments into innovative, sustainable business practices, thereby reinforcing the overall success of SMEs in environmentally conscious markets.

4. Conclusion

As environmental concerns grow in significance and natural resource depletion accelerates, there is a heightened focus on discussions around green considerations. The majority of innovation activities are contributing to the detriment of the natural environment. Small and medium-sized manufacturing enterprises (SMEs) play a substantial role in this environmental impact due to their involvement in the production, processing, and consumption of environmental resources. Nevertheless, the adoption of environmental strategies can mitigate these footprints and associated environmental risks. Green Innovation (GI) has a significant effect on Environmental Marketing Performance (EMP). Green Marketing Orientation (MO) has a significant effect on Environmental Marketing Performance (EMP). Green Marketing Orientation (MO) has a significant effect on Green Competitive Advantage (GCA). Green Marketing Orientation (MO) has a significant effect on Green Innovation (GI). Green Marketing Orientation (MO) has a significant effect on Environmental Marketing Performance (EMP) through on Green Competitive Advantage (GCA). Green Marketing Orientation (MO) has a significant effect on Environmental Marketing Performance (EMP) through Green Innovation (GI). Conduct a longitudinal study to capture the dynamic nature of green marketing practices and their impact on performance over time. This approach would allow for a more in-depth understanding of the long-term effects of green marketing orientation, innovation, and competitive advantage on the performance of SMEs in Indonesia.

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