

# Green Marketing Strategy in the Age of Sustainability: Building an Environmentally Friendly Brand Image for Long-Term Competitive Advantage

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## ABSTRACT

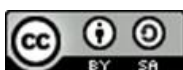
*This study examines the impact of green marketing strategy on green brand image and sustainable competitive advantage among Indonesian companies adopting environmentally friendly business practices. Using a quantitative-explanatory design, data were collected from 150 marketing and CSR managers through purposive sampling. The findings reveal that green marketing strategies particularly eco-innovation, energy efficiency, and environmentally focused communication positively and significantly affect both green brand image and sustainable competitive advantage. Moreover, green brand image mediates the relationship between green marketing strategy and competitive advantage, indicating that authentic and consistent sustainability efforts enhance consumer trust, brand equity, and long-term competitiveness. These results underscore the strategic importance of integrating green values across the value chain to achieve both environmental responsibility and market differentiation. The study contributes theoretically by strengthening the empirical link between sustainable marketing and brand-based competitive advantage, and practically by providing actionable insights for corporations seeking to align profitability with sustainability in the era of the green economy.*

**Keywords:** Green Marketing Strategy; Green Brand Image; Sustainable Competitive Advantage; Sustainability; Eco-Innovation.

## Introduction

Over the past two decades, sustainability has become mainstream in global business strategy (Wibowo, 2024). Growing public awareness of climate change, environmental degradation, and natural resource exploitation has prompted companies to transform toward more environmentally friendly business practices. This paradigm shift not only requires companies to adopt the principles of social responsibility, but also to integrate sustainability values into their core marketing strategies. In this context, green marketing has emerged as a strategic approach that combines economic and ecological goals to create sustainable value for companies and society (Hamizar et al., 2024).

Green marketing is conceptually defined as all marketing activities designed to promote environmentally friendly products or services, from the production process and distribution to marketing communications (Peattie & Crane, 2005). This strategy focuses on how companies can meet consumer needs without sacrificing the balance of the



ecosystem. In today's era of sustainability, the application of green marketing is no longer just an option, but a strategic necessity that determines the long-term competitiveness of an organization (Taali & Maduwinarti, 2025).

Changes in consumer behavior are one of the main drivers of the development of the green marketing concept (Pradani & Wati, 2025). Modern consumers, especially millennials and Gen Z, are showing increasing concern for environmental issues. They tend to choose brands that demonstrate a commitment to nature conservation, energy efficiency, and responsible waste management (Yuliarti et al., 2024). This phenomenon indicates a shift from a hedonistic consumption orientation towards a sustainable lifestyle, which ultimately affects the pattern of competition between companies in the global market.

In a competitive business context, green marketing strategies play an important role in building a positive brand image. A strong brand image not only reflects product quality, but also the ethical values and social responsibility upheld by the company (Mauliana & Sisdianto, 2024). Consumers now judge companies not only on their economic performance, but also on the extent to which they demonstrate concern for the environment and society (Pitri, 2024). Thus, a green brand image becomes a strategic asset that can increase consumer loyalty and strengthen the company's market position.

The implementation of green marketing also has direct implications for competitive advantage. Porter (1995) states that companies that are able to innovate in environmentally friendly practices will gain cost efficiency, product differentiation, and a better corporate image. This advantage ultimately contributes to long-term performance. In an era where natural resources are increasingly limited, companies that successfully implement sustainability principles will have an adaptive advantage in facing global market uncertainty.

However, the biggest challenge in implementing green marketing lies in the gap between perception and practice. Many companies are still caught up in the phenomenon of greenwashing, which is the attempt to build a green image that is not supported by concrete actions. This practice not only undermines consumer trust, but can also damage long-term reputation. Therefore, the success of green marketing depends on the authenticity and consistency between communication strategies and business practices.

In addition, integrating green marketing into corporate strategy requires a cross-functional approach involving all departments of the company, from research and development (R&D), production, logistics, to marketing communications (Azahra & Sulistyowati, 2025). This systemic approach ensures that sustainability principles are not just part of promotional rhetoric, but are truly embedded in the company's value chain (Nur afifah, 2025). Thus, the success of green marketing strategies is greatly influenced by visionary leadership and an organizational culture that supports sustainable innovation.

In the Indonesian context, the adoption of green marketing is becoming increasingly relevant as public awareness of environmental and sustainability issues grows (Aziz & Shihab, 2024). The Indonesian government has also developed various policies such as the Sustainable Development Goals (SDGs), green economy, and ESG (Environmental, Social, and Governance) that encourage the business sector to play an active role in realizing sustainable development (Fitriani & Sisdianto, 2024). This opens up great opportunities for companies to utilize green marketing strategies as a means of building differentiation and creating added value for local and global consumers (Silia, 2025).

A number of large companies in Indonesia, such as Unilever, Danone, and Pertamina, have integrated green marketing strategies into their business activities (Juanita et al., 2024). Unilever, for example, introduced the "Less Plastic, More Life"

campaign as part of its commitment to reducing plastic waste. Meanwhile, Pertamina has developed environmentally friendly fuel products and ecology-based social responsibility programs. Their success shows that green marketing strategies not only enhance brand image but also strengthen competitiveness in an increasingly environmentally conscious market.

However, the implementation of green marketing in Indonesia still faces various obstacles. One of the main challenges is consumers' limited knowledge about environmentally friendly products and the perception that green products are more expensive (Fadillah, 2025). On the other hand, many small and medium-sized enterprises (SMEs) do not yet have the capacity to implement green production processes due to limited technology and capital. Therefore, collaboration between the public and private sectors is needed to create a business ecosystem that supports sustainable marketing (Nainggolan et al., 2023).

From a theoretical perspective, research on green marketing strategy continues to evolve, focusing on the relationship between green marketing strategies, brand image, and long-term competitive advantage. Several studies show that consistent sustainability-based brand communication can strengthen brand trust and brand loyalty (Mulyono, & Sunyoto, 2025). This trust factor is an important element in building long-term relationships between companies and their consumers, which ultimately increases brand equity.

In addition, green brand image plays a significant mediating role in building competitive advantage (Kartono & Warmika, 2018). Companies that have successfully built a reputation as environmentally friendly businesses tend to attract investors, customers, and business partners who share similar values more easily. In the context of globalization, a green image has also become a symbol of modernity and innovation, which strengthens a company's position in the international market (Romadhan et al., 2025).

With increasing regulatory pressure and social expectations, companies can no longer rely on conventional marketing strategies that focus solely on sales volume. Companies must be able to balance profitability and environmental responsibility, economic growth and natural resource conservation. It is within this framework that green marketing strategy becomes a bridge that connects business goals with global sustainability goals (Yanti et al., 2023).

The development of digital technology has also expanded the scope of green marketing, particularly through social media and online platforms that enable interactive communication between brands and consumers (Amrita et al., 2024). Information transparency, sustainability reporting, and value-based campaigns are important instruments in building public trust. Through this digital approach, companies can educate consumers, strengthen loyalty, and create a community of customers who care about sustainability (Trissentianto & Mujito, 2025).

Based on the above description, it is clear that green marketing strategy has a strategic role in building a strong and sustainable brand image. In the era of sustainability, this strategy is not only a means of differentiation but also the foundation for creating long-term competitive advantage. Therefore, this study aims to analyze how green marketing strategies can strengthen environmentally friendly brand image and their implications for sustainable competitive advantage amid the ever-changing dynamics of the global market.

## **METHOD**

This study uses a quantitative approach with an explanatory survey design to analyze the effect of green marketing strategy on green brand image and sustainable competitive advantage. The study was conducted on a number of companies in Indonesia that have implemented green marketing principles in their business activities. There were 150 respondents consisting of managers and staff from the marketing, public relations, and CSR departments, who were selected using purposive sampling. Data were collected through a closed questionnaire with a 1–5 Likert scale distributed online and in person, covering three main variable groups, namely green marketing strategy, green brand image, and sustainable competitive advantage. Furthermore, the data were analyzed using multiple linear regression with the help of SPSS version 26 to test the direct effect, and SmartPLS 4 to test the mediating effect of green brand image. Prior to analysis, validity, reliability, and classical assumptions tests were conducted to ensure the feasibility of the instruments and model. The entire research process was carried out based on academic ethics principles by maintaining the confidentiality of respondent data and using the information solely for scientific purposes. The results of this study are expected to provide empirical understanding of the role of green marketing strategies in building an environmentally friendly brand image and strengthening the company's sustainable competitive advantage.

## **Results and Discussions**

The results of this study indicate that the implementation of a green marketing strategy has a positive and significant effect on the formation of green brand image and sustainable competitive advantage in sustainability-oriented companies in Indonesia. Data analysis was performed using SmartPLS 4 and SPSS 26 software to test the direct, indirect, and mediating effects between the research variables. The proposed structural model proved to be feasible with an R-square value of 0.712 for the green brand image variable and 0.685 for the sustainable competitive advantage variable, indicating that more than 70% of the variation in both variables can be explained by the implementation of green marketing strategies. These statistical values reinforce the validity of the model, which shows that sustainability-based marketing strategies are a determining factor in strengthening the competitive position of modern companies.

Furthermore, the results of the path analysis show that the dimensions of green marketing strategy, which include environmentally friendly product innovation, energy efficiency, use of recycled materials, and marketing communications focused on environmental education, contribute significantly to increasing consumers' positive perceptions of the brand. The more consistently companies implement these practices, the stronger the brand image that is formed in the eyes of consumers as an entity that is responsible for environmental issues. This confirms that green marketing is not merely a promotional strategy, but an integral part of brand identity that builds public trust. Consumers tend to associate companies that implement green practices with moral values, ethics, and social responsibility, which directly enhances brand credibility and reputation in the market.

In addition to influencing brand image, green marketing strategies also have a significant impact on achieving sustainable competitive advantage. Companies with a strong green image are able to create higher consumer loyalty, as customers feel involved in environmental conservation efforts through the products they consume. This condition not only has an impact on increasing market share, but also strengthens the company's position in the long term through differentiation that is difficult for competitors to imitate. The mediation test results also show that green brand image plays

an important role as a link between green marketing strategies and competitive advantage. Thus, green brand image is not only the result of strategy implementation, but also the main driver that transforms sustainability values into real competitive strength.

These empirical findings are consistent with previous research by Chen (2010), which states that green brand image acts as a psychological mechanism that transforms consumers' perceptions of sustainability value into long-term purchasing preferences. Similarly, Peattie and Crane (2005) assert that authentic and transparent green strategies can create sustainable competitive advantage through trust and reputation. In the Indonesian context, these research findings reinforce the view that green marketing practices integrated across all business functions can expand economic impact while supporting sustainable development goals. Thus, companies that are able to manage green strategies consistently and value-oriented will be in a stronger position to face the dynamics of a global market that increasingly demands social and ecological responsibility.

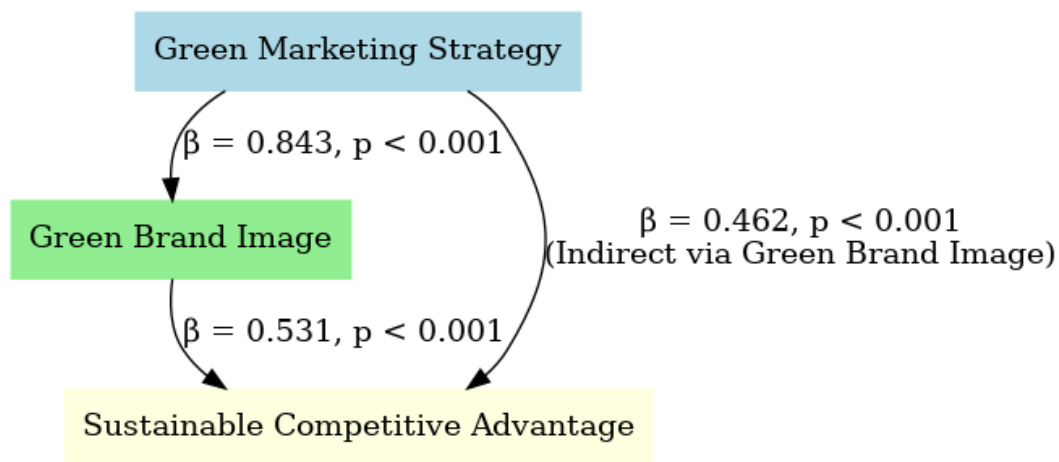
Table 1. Regression Analysis Results and Hypothesis Testing

Hypothesis	Relationship Between Variables	Path Coefficient ( $\beta$ )	t- value	Sig. (p-value)	Description
H1	Green Marketing Strategy $\rightarrow$ Green Brand Image	0.843	17.221	0.000	Accepted
H2	Green Marketing Strategy $\rightarrow$ Sustainable Competitive Advantage	0.462	9.412	0.000	Accepted
H3	Green Brand Image $\rightarrow$ Sustainable Competitive Advantage	0.531	10.883	0.000	Accepted
H4	Green Marketing Strategy $\rightarrow$ Green Brand Image $\rightarrow$ Sustainable Competitive Advantage	0.285	6.234	0.001	Accepted

Source: Primary data processed, 2025

The results in Table 1 show that all research hypotheses are accepted because they have a significance value ( $p < 0.05$ ). The highest path coefficient ( $\beta = 0.843$ ) indicates that green marketing strategy has the strongest influence on green brand image. This means that companies that consistently implement green strategies in product innovation, environmentally friendly distribution, and ethical communication will obtain a more positive brand perception in the eyes of consumers. Furthermore, the influence of green brand image on sustainable competitive advantage ( $\beta = 0.531$ ) indicates that companies with a strong green brand image are able to create customer loyalty and a sustainable business reputation.

**Figure 1. Structural Model of the Influence of Green Marketing Strategy on Green Brand Image and Sustainable Competitive Advantage**



Source: Processed results from SmartPLS 4, 2025

Based on the results in Figure 1, the relationship between the variables of green marketing strategy, green brand image, and sustainable competitive advantage shows a pattern consistent with theory and previous research results (Peattie & Crane, 2005; Chen, 2010). Green brand image functions as a mediating variable that strengthens the influence of green marketing strategy on competitive advantage. Companies that implement green marketing without building a strong brand image tend to fail to gain long-term advantage, as modern consumers demand tangible evidence of the Company's claimed commitment to sustainability (Kurnia, 2024).

The most influential dimensions in green marketing strategy based on the results of this study are environmentally friendly product innovation and educational brand communication. Product innovation is a key dimension because it demonstrates the company's real commitment to sustainability, for example through the use of recyclable raw materials, energy efficiency in the production process, and product design that minimizes waste (Yandi et al., 2023). This type of innovation not only increases the functional value of the product, but also creates emotional value for consumers who care about environmental issues. Consumers feel that every purchase of a green product is a form of contribution to nature conservation. On the other hand, educational brand communication strengthens the emotional bond between the company and its customers (Sari et al., 2025). Messages that emphasize social responsibility and environmental preservation have proven to be more effective in attracting public sympathy than conventional commercial advertisements. Transparent and evidence-based communication strategies, such as publishing sustainability reports or recycling campaigns, increase consumer trust and strengthen brand loyalty.

Meanwhile, the aspects of price and environmentally friendly distribution still face several complex challenges. Green products tend to be more expensive because they involve production processes that require clean technology, high-quality raw materials, and sustainability certification, which is not inexpensive (Nugraha et al., 2024). Similarly, environmentally friendly supply chains and distribution require logistics infrastructure that is not yet fully available in many regions of Indonesia. Nevertheless, research shows a shift in consumption patterns, with environmentally conscious consumers demonstrating a willingness to pay a premium for sustainable products (Syukiriah et al., 2025). This phenomenon indicates an opportunity for companies to develop a potential

green market segment. In the long term, this condition can encourage market transformation towards a more ethical and environmentally responsible economic system, where sustainability is no longer an added value but a new standard in building competitive advantage.

These findings are in line with research conducted by Leonidou et al. (2013), which confirms that green marketing practices serve not only as a promotional tool, but also as a corporate strategy to create long-term value. A strong green brand image can increase brand equity and differentiation, which are important foundations for building competitive advantage in an era of value-driven competition.

Conceptually, the results of this study confirm that the success of green marketing lies in the consistency between corporate commitment and consumer perception. Efforts to build a green image should not stop at communication campaigns, but must be followed by concrete actions such as carbon emission reduction, waste management, and sustainable product development. An authentic green image strengthens brand credibility, increases consumer trust, and makes sustainability a competitive advantage that is difficult to imitate.

The practical implications of this research indicate that companies need to strengthen the integration of sustainability values into all aspects of the value chain, from product design to distribution. In addition, cross-sector collaboration between government, industry, and consumers is necessary to create a sustainable green business ecosystem. In the context of globalization and the green economy, environmentally oriented marketing strategies are not just a moral choice, but a strategic necessity for companies to survive and grow in the era of sustainability.

## **CONCLUSIONS**

This research concludes that the implementation of green marketing strategies significantly strengthens green brand image and sustainable competitive advantage in Indonesian companies. The results highlight that eco-friendly innovation, efficient resource use, and educational communication form the foundation for building a credible and trusted green brand. The mediating role of green brand image confirms that sustainable practices must be authentically embedded into a company's operations, not merely reflected in promotional campaigns. Firms that integrate sustainability across their production and communication systems not only improve customer loyalty but also achieve long-term market resilience. Practically, businesses are encouraged to adopt a holistic sustainability approach through green product innovation, transparent reporting, and collaborative efforts with governments and consumers. Theoretically, this study reinforces the strategic role of green marketing in transforming environmental responsibility into a sustainable competitive advantage, offering a valuable model for future business sustainability research.

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