

Sustainable Marketing Strategy: Building Brand Loyalty through Eco-Friendly Marketing

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Abstract

This study aims to explore the influence of sustainable marketing strategies on brand loyalty through the formation of an environmentally friendly brand image. With increasing consumer awareness of environmental issues, sustainable marketing has become an important element in branding strategies to create long-term relationships with consumers. This study uses a quantitative approach with a survey method, involving 300 environmentally conscious respondents, and analyzing data using the Structural Equation Modeling (SEM) technique. The results showed that green marketing has a significant effect on green brand image, which in turn mediates the relationship between sustainable marketing and brand loyalty. Consumers who perceive a brand as an environmental advocate tend to have higher loyalty to the brand. This finding highlights the importance of transparency and honesty in sustainable marketing to build a positive image and increase consumer loyalty. This study provides important implications for brand managers in developing effective sustainable marketing strategies, as well as for academics in enriching the literature on marketing and brand loyalty. Recommendations for further research include exploring the role of culture and individual values in influencing the relationship between sustainable marketing and brand loyalty.

Keywords : Sustainable Marketing, Brand Loyalty, Eco-friendly Brand Image, Eco-friendly Marketing, SEM



INTRODUCTION

In recent decades, increasing environmental awareness among consumers has created new challenges for companies to adopt more ecologically responsible marketing approaches (Peattie & Belz, 2010). This change is driven not only by consumer concern for environmental issues but also by regulatory pressures and stakeholder pressures to reduce companies' negative impacts on the environment (Kotler & Keller, 2016). Consumers are increasingly interested in products and brands that not only meet functional needs but also reflect values of sustainability and environmental concern (Hartmann & Apaolaza-Ibañez, 2012).

Sustainable marketing strategies or green marketing aim to reduce environmental impacts at every stage of marketing, from product design, distribution, to marketing communications. Companies that adopt this strategy not only strengthen their brand image as a responsible entity, but also have the potential to increase customer loyalty (Leonidou, Katsikeas, & Morgan, 2013). Brand loyalty is an important component in a company's long-term success, especially in the digital era, where consumers have easy access to compare various products and services (Chen, 2010).

One key element of sustainable marketing is "green brand loyalty," which refers to consumer loyalty to brands that are committed to reducing their environmental impact. Research shows that consumers are more likely to be loyal to brands whose values align with their own concerns about the environment, especially when they perceive the brand to be genuinely environmentally friendly (McDonagh & Prothero, 2014). However, to build brand loyalty based on sustainability values, companies need to implement a holistic and consistent strategy and avoid "greenwashing" or unsubstantiated sustainability claims (Ottman, Stafford, & Hartman, 2006).

The purpose of this study is to explore how the implementation of sustainable marketing strategies can build and strengthen brand loyalty among environmentally conscious consumers. Through literature analysis and case studies of companies that have successfully implemented green marketing, this study is expected to provide insight into best practices in sustainable marketing and its contribution to creating consumer loyalty.



DISCUSSION

Descriptive Results

From the results of a survey of 300 respondents who were filtered based on their awareness of environmental issues, most respondents showed a high awareness of products and brands that implement sustainable practices. As many as 85% of respondents stated that they prefer products produced by companies that have a strong environmental commitment. This shows the market potential for companies that adopt sustainable marketing strategies (Hartmann & Apaolaza-Ibáñez, 2012).

Respondents also expressed their preference for brands that are transparent in communicating their sustainability efforts. 78% of respondents said they were more likely to be loyal customers if they felt the company had a positive impact on the environment. These results are consistent with previous research showing that consumers are willing to show their loyalty to brands that have sustainable values (Leonidou, Katsikeas, & Morgan, 2013).

Structural Equation Modeling (SEM) Analysis

Testing using SEM shows that the green marketing variable has a significant influence on the green brand image (path coefficient = 0.64; $p < 0.001$). This shows that the better the company's efforts in implementing green marketing practices, the stronger the green brand image in the eyes of consumers. This is in line with the findings of Chen (2010), which shows that green marketing contributes significantly to the formation of a positive image for brands that focus on sustainability.

In addition, the image of an environmentally friendly brand has a positive and significant relationship to brand loyalty (path coefficient = 0.58; $p < 0.001$). This result supports the theory that a strong brand image in terms of sustainability can build long-term loyalty from consumers (Oliver, 1999). Consumers who perceive a brand as "green" and care about the environment tend to have a stronger emotional attachment, which in turn drives loyalty.

The Mediating Role of Eco-Friendly Brand Image

The results of the analysis also show that green brand image has a significant mediating role between green marketing and brand loyalty. This means that sustainable marketing indirectly increases consumer loyalty through the formation of an environmentally friendly brand image. Previous research by Hartmann and Apaolaza-

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Ibáñez (2012) also supports this result, where a positive brand image in terms of sustainability strengthens consumer loyalty to the brand.

Managerial Implications

The findings of this study suggest that companies seeking to increase brand loyalty need to focus on improving consumer perceptions of the company's sustainability commitments. Transparent and honest marketing of a company's environmental efforts will help build a positive brand image and create stronger bonds with consumers. This implication is consistent with Ottman, Stafford, and Hartman's (2006) suggestion to avoid *greenwashing practices*, which can damage consumer trust.

DISCUSSION OF FINDINGS

These results demonstrate the importance of sustainable marketing practices in a company's branding strategy, especially in attracting environmentally conscious consumers. Overall, this study confirms that today's consumers consider not only the price or quality of a product, but also how the product is produced and its impact on the environment. As stated by McDonagh and Prothero (2014), environmentally conscious consumers demand more than just quality products, they look for brands that have values that align with their concern for the environment.

The results of this study support the idea that sustainable marketing strategies are an effective approach to building brand loyalty among environmentally conscious consumers. By positioning a brand as an environmental advocate, companies can create deeper emotional connections with consumers, which in turn increases long-term loyalty.

CONCLUSION

This study shows that sustainable marketing strategies have a significant positive effect on brand loyalty through the formation of an environmentally friendly brand image. Consumers who appreciate a company's efforts to protect the environment tend to have a stronger emotional attachment to the brand, which in turn increases long-term loyalty. Thus, companies that successfully implement green marketing not only meet the demands of increasingly environmentally conscious consumers but also create a strong competitive advantage (Leonidou et al., 2013).



This result is in line with previous studies stating that consumers are now increasingly critical in choosing brands that have sustainable values, and they are willing to show loyalty to brands that are in line with these values (Hartmann & Apaolaza-Ibáñez, 2012). In addition, the importance of green brand image as a mediator between sustainable marketing and brand loyalty also emphasizes the importance of companies to build positive perceptions through honest and transparent marketing practices.

Implications

Theoretical Implications

This study adds to the literature on sustainable marketing and brand loyalty by highlighting the role of green brand image as a mediator. This study also supports the theory that sustainability values can be a key element in effective marketing strategies in an era of increasing environmental awareness (Chen, 2010). In addition, the results of this study strengthen the framework linking green marketing practices to brand loyalty, contributing to the theoretical understanding of how companies can leverage sustainability strategies to enhance consumer loyalty.

Practical Implications

For business practitioners, this study suggests that companies seeking to increase consumer loyalty need to consider green marketing strategies as part of their branding approach. Inclusive and transparent strategies related to sustainability can strengthen brand image and create deeper consumer trust. As suggested by Ottman et al. (2006), companies should avoid *greenwashing practices* that can damage brand image and lead to loss of consumer loyalty. Instead, they should focus on tangible initiatives that have a positive impact on the environment and consistently communicate these efforts to consumers.

In today's digital age, companies can leverage social media platforms and data analytics to gauge consumer perceptions and deliver their sustainability messages more effectively. This will help them engage with consumers who are increasingly critical of environmental issues and foster long-term loyalty.

Implications for Future Research

This research suggests that future studies should deepen the exploration of other aspects of sustainable marketing, such as its influence on consumer perceptions in

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different market segments. In addition, further research can explore other factors, such as the role of culture or individual values, in strengthening the relationship between green marketing and brand loyalty.

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