

Stand out among others: Utilizing green marketing strategy to achieve competitive advantage on Tourism Villages

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Abstract. This study seeks to examine the impact of green marketing strategies on the reputation and performance of businesses in tourist villages that feature both natural and artificial tourist attractions. Utilizing a quantitative approach, this research conducted purposive sampling and obtained 463 respondents. Research questionnaires were distributed online to respondents who had traveled to tourist villages in East Java with natural and artificial tourist attractions. The research results show that the green marketing strategy has an effect on reputation and business results in tourist villages with natural and artificial attractions. Other results also show that reputation has no effect on the business results of tourist villages. Green marketing strategies are often only associated with tangible products and rarely touch on service products such as tourism, which is unique in this research. This research discusses the role of green marketing strategy in the context of service products, namely tourist village destinations, on the reputation and performance of tourist villages. A green marketing strategy can be a bridge for the growth of artificial and natural tourist attractions while being in line with sustainable and environmentally friendly values, supporting SDGs goal.

1 Introduction

A dilemma has been created by the growth of tourist villages, where the temptation of benefits from developing tourist villages leads to difficulties in competing and the waste of village resources. The existence of tourist destinations in a village can contribute to the economic growth of a village. Villages with natural and cultural riches can use this to attract the attention of tourists. This will invite interest from several villages to create tourist attractions in their villages. This development was demonstrated through the growth of tourist

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attractions, which has increased, with a growth of 14.32% in 2021-2022 [1]. Tourism village management are able to bring prosperity to the village is managed through BUMDes. Through BUMDes, which are spread across 74.09% of villages in Indonesia, village residents can actively and independently manage tourist destinations in their villages [2]. Achievement of village economic growth can be seen as a form of implementing sustainable tourism that provides employment and preserves local culture, in accordance with the SDGs targets. However, the massive and sporadic growth of tourist villages then has an impact on very tight competition between tourist destinations. Another impact that needs to be considered from the development of tourist destinations is the negative impact it has on nature, which also thanks to the high flow of tourists, has an impact on the quality of life of local communities [3]. Balancing the development of tourist destinations and environmental sustainability is a challenge that needs to be resolved.

The phenomenon of the growth of artificial tourist destinations being greater than that of natural tourist destinations, with a figure of 1,226 compared to 742, further explains the dominance of artificial tourist attraction objects, which are more widely available to tourists [1, 4]. It is not uncommon for some areas to have natural tourist attractions that also have artificial tourist attractions [1]. Apart from bringing economic benefits, in fact tourism also has a negative impact on the environment [3]. In the midst of growing sustainability issues, this has an impact on the competitive advantage of tourist villages. This issue of environmental preservation, which is increasingly being voiced, puts pressure on business people to adapt their business processes so that they have social and environmental value [5, 6]. Tourist destinations gain their competitive advantage through positioning themselves through benefits that are considered important to visitors [7]. The existence of these artificial attractions can give the impression that tourist destination managers pay little attention to environmental issues or sustainable development. Tourist village managers as business actors in the tourism sector need to design strategies to have advantages compared to other tourist destinations, especially in the development of environmental awareness issues.

A green marketing strategy is a flexible and dynamic business strategy that leverages the company's internal strength to take action related to the environment, society, and stakeholders. The behavior of society, which is currently increasingly concerned about sustainability issues, has become an important value that is spread to almost every generation [8]. Even though businesses are essentially oriented towards improving business results, businesses that implement a green marketing strategy aim to improve product performance, customer service, and other business decisions related to environmental responsibility [9 - 11]. The reputation of an eco-friendly tourist destination can have a positive impact on tourist emotions and satisfaction [7]. Green marketing has emerged and developed as an action by business people to improve their reputation and business performance [6]. A company can build an environmental friendly reputation by responding to environmental friendly behavior compared to competitors and expectations from society [12]. Reputation for tourist destination businesses is very important because it has an influence on business results [6]. However, often green marketing is an effort to build an environmental friendly image only focuses on tangible products without looking at the service aspect [13]. In fact, tourist destinations that have better environmental-friendly values than other destinations will tend to grow and develop more in a competitive business environment [7]. It cannot be denied that the process of implementing a green marketing strategy will have an impact on reputation and business results [6].

This research analyzes the green marketing strategies carried out by tourist villages that have an impact on the reputation of the tourist village and the results of the tourist village. The findings of the research show the important role of green marketing strategy in business results and the reputation of tourist villages with natural and artificial tourist attractions. On the other hand, there are interesting results that reputation does not have a significant

influence on business results in tourist villages. Implementing a green marketing strategy can be a way for tourist destinations to improve their performance and reputation while contributing to achieveSDGs goals [14].

An environmental conservation issues develop, sustainability issues begin to become important, and green concepts become increasingly common in society [8]. The public is increasingly aware that product consumption activities and company business activities have an impact on the environment. This awareness will encourage the market to demand products with eco-value, opening up opportunities for business people to fulfill the need for environmentally friendly products [8, 11]. Green marketing strategy is present as an essential tool for a business to achieve sustainability, by meeting society's needs regarding environmental issues and carrying out its business activities responsibly, which then contributes to improve business performance [6, 11, 15]. Companies that want to implement a green marketing strategy at every level need to take a holistic and synergistic approach [16]. Green marketing also has an important goal for consumers, namely how to make consumers aware of the important value of protecting the environment in product consumption [15]. This implementation builds awareness of the importance of long-term relationships between business people, customers, and stakeholders in their responsibility to protect the environment. In implementing the tourism business, it cannot be denied that this business process can have a negative impact on the environment and social community [3]. Companies can also increase the value of their products, which will also gain a competitive advantage, improve their image, and open new markets, especially for those who care about the environment [14, 15]. It should be noted that as the issue of concern for the environment and the importance of green marketing grows, the focus of green marketing is becoming broader, including on products and services such as tourism [17]. Competitive advantage can be achieved through a green marketing strategy, which is achieved by understanding the relationship between consumers and stakeholders, environmental and social values, branding, and proactive business [15]. Including for providers of service products such as tourism, an environmental friendly reputation can be demonstrated to consumers through ecological practices in tourist attraction management [7].

In a situation of increasingly tight business competition, reputation can be an important part for business people to have good business results. Reputation has an influence on business results for customers, employees, society, and the company itself [6]. It is natural that a company will try to improve its reputation. Utilizing a good reputation is important for companies to gain a profitable position in gaining markets that are more sensitive to product quality, both goods and services [12]. Tourist destinations can build an eco-friendly reputation by committing environmental friendly, which will then be in line with company goals and stakeholder expectations, which can also stimulate consumer perceptions of better tourism products [7, 12]. By raising the issue of environmental awareness and sustainability, tourist destinations can increase their competitive advantage through increasing innovation that is relevant to their business operations [3]. The environmental friendly reputation of a tourist destination is a comprehensive assessment made by visitors regarding the tourist destination, whether it is substantially "good" or "bad" for the environment [7]. A reputation built through environmental conscious practices will encourage companies to perform better compared to companies that do not [12].

2 Research Question

Based on the background of the problems that are the focus of this research, several research questions are concluded, which will then become hypotheses in this research:

- RQ1: Does green marketing strategy affect the reputation of tourist villages with natural and artificial attractions?
 RQ2: Does green marketing strategy affect the business results of tourist villages with natural and artificial attractions?
 RQ3: Does reputation affect the business results of tourist villages with natural and artificial attractions?

3 Methods

This research uses a quantitative approach to analyze the green marketing strategy, reputation of tourist villages, and business results of tourist villages with natural and artificial tourist attractions. Using the purposive sampling technique, this research obtained 463 respondents. The respondent criteria applied to obtain a sample that could answer the research was that the respondent had visited a tourist village with natural and artificial tourist attractions. The cases used in this research are tourist villages in East Java (Indonesia), as the province with the largest number of tourist villages (596 tourist villages) in Indonesia. Tourist villages in Indonesia are an interesting object considering their achievements in 2021 and 2023 to become the best tourist villages from the World Tourism Organization. By selecting tourist destinations that are included in the preferences of foreign tourists, it is hoped that this can contribute to policies related to achieving the SDGs.

This research uses primary data obtained through an online questionnaire created using Google Form. Online questionnaires were distributed to respondents using social media such as WhatsApp, Facebook, and Instagram. Questions representing the respondent's criteria are given at the beginning of filling in as an indication that the respondent meets the established criteria. The measurement of green marketing strategy, reputation, and business results variables was carried out using previous research questionnaire items [6]. Green marketing strategy is measured using 18 items, reputation is measured using 5 items, and business performance is measured using 7 items. The questionnaire used in this study can be seen in its entirety in Table 1.

The questionnaire was distributed online via several social media platforms and received 463 respondents. The respondents obtained were divided into 44.1% men and 55.9% women. The majority of respondents in this study were 20-35 years old (75.2%), which was then followed by respondents in the 36-50 years old (19%) and under 20 years old (5.8%). Most of the respondents stated that they visited tourist villages together with a group or family (73.9%) rather than just traveling alone (26.1%). Ased on the background of the problems that are the focus of this research, several research questions are concluded, which will then become hypotheses in this research

Table 1. Questionnaire Items.

Variable	Items
Green Marketing Strategy	<ul style="list-style-type: none"> • The tourist village presents environmentally friendly tourist attractions • Tourist villages emphasize environmentally friendly elements in their tourist design • Tourist villages include environmental costs in the tour fee • Tourism villages prefer partners who have environmental responsibility • Tourist villages consider environmental aspects when choosing distribution channels • The tourist village has implemented a green tourism brand • Tourist villages have sponsored organizations or events related to the environment • Tourism villages promote and communicate to visitors about the village's efforts to protect the environment • Tourist villages train their employees on environmental issues • Tourist villages give appreciation to initiators who care about the environment • Tourism villages encourage visitors and employees to care about the environment • Tourist villages provide messages not to litter and save energy at tourist locations

Variable	Items
	<ul style="list-style-type: none"> • Tourist villages provide messages with the theme of caring for the environment • Tourist villages provide environmentally friendly messages periodically to stakeholders • Tourist villages provide experiences that support sustainability and are environmentally friendly for tourists • Tourist villages create an atmosphere so that tourists can contribute to protecting the environment • Tourist villages provide environmentally friendly services to tourists • Tourist villages collaborate with local residents, government, and/or travel agencies to support environmental protection
Reputation	<ul style="list-style-type: none"> • Tourists can find out the quality of the tourist village • Tourists are aware of the creativity of tourist villages • Tourists can find out the uniqueness of tourist villages • Tourists and local residents know the environmentally friendly brand promoted by the tourist village • Tourists and local residents know that tourist villages have environmental responsibility
Business Results	<ul style="list-style-type: none"> • Tourists are very satisfied after visiting the tourist village • Tourist villages build good relationships with tourists • Tourists have few complaints about the services provided • Tourist villages have more and more tourists • Tourism village employees contribute to the tourist experience • Tourist villages are known by local residents for their contribution to them • Local residents contribute to protecting the environment in tourist villages

4 Result and Discussion

4.1 Research results

In the process of answering research questions, it is necessary to test the research instrument through validity and reliability testing, as well as model fit testing. Hypothesis testing will be carried out later to answer the research questions. Reliability testing was carried out to ensure that the questionnaire used to obtain primary data was reliable. To determine the level of reliability, it can be seen from the Cronbach Alpha value of each variable in the research. The questionnaire used can be considered reliable when the Cronbach Alpha value is greater than or equal to 0.7. Based on the test results, it was found that the Cronbach Alpha value for the green marketing strategy variable was 0.873, reputation 0.73, and business results 0.722. With a value for each variable of more than 0.7, the questionnaire used passes the reliability test. Testing the validity and model of this research was carried out using AMOS. Validity testing can be seen from the values that can be normalized. From the path results each variable can be seen the influences between the Figure 1.

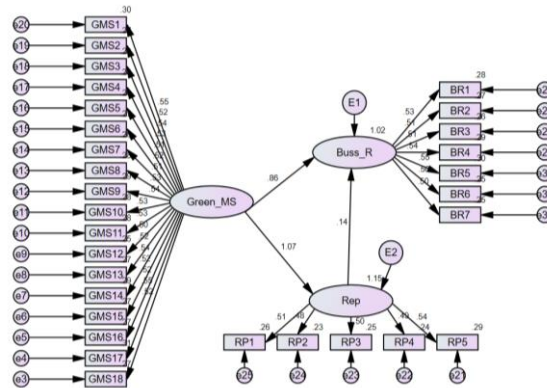


Fig. 1. Structural equation model.

Testing of this research model can be seen from several model fit parameters in table 2. Model fit analysis can be seen from the CMIN/df, GFI and AGFI, TLI, CFI, and RMSEA values. In this study, the CMIN/df value was 1.221 (the ideal value is between 1 and 3), GFI 0.936 and AGFI 0.926 (ideal value > 0.9), TLI 0.972 (ideal value > 0.9), CFI 0.974 (ideal value > 0.9), and RMSEA value 0.022 (ideal value < 0.05). Based on these results, it can be assessed that the model fit value of this research is within the ideal value and in accordance with the expected scale.

Table 2. Model fit test.

Parameters	Accepted Fit	Results
CMIN/df	< 3 = acceptable fit	1.221
GFI	> 0.9 = acceptable fit	0.936
AGFI	> 0.9 = acceptable fit	0.926
CFI	> 0.9 = acceptable fit	0.972
TLI	> 0.9 = acceptable fit	0.974
RMSEA	< 0.05 = reasonable fit	0.022

Convergent validity testing is carried out by looking at the average variance extracted (AVE) value. The greater the AVE value, the more the questionnaire items will be able to explain the variable. Ideally, the AVE value needs to show a number greater than or equal to 0.5. The composite reliability (CR) value can reflect the intrinsic quality of each factor, which is expected to have a value greater than or equal to 0.7 to be considered to have good quality. When the AVE and CR values meet the criteria to be considered good, the scale can be said to have good convergent validity, and it can be verified that the scale used in this research is of good quality. The test results show that for the composite reliability and average variance extracted values, the green marketing strategy variable has a CR value of 0.95 and AVE 0.5, reputation has a CR value of 0.83 and AVE 0.5, and business reputation has a CR value of 0.87 and AVE 0.5. Based on these results, the scale used in this study is considered good.

Testing of research hypotheses that were previously proposed was carried out using AMOS. The P value is used to assess whether the hypothesis is accepted, with a value greater than or equal to 0.5. The test results can be seen in Table 3.

Table 3. Hypothesis test.

H	Path	Estimate	S.E.	C.R.	P
1	GMS → RP	1.138	0.121	9.374	0.000
2	GMS → BR	0.908	0.216	4.211	0.000
3	RP → BR	0.136	0.175	0.777	0.437

Table 3 shows the values of each hypothesis proposed in this research, as revealed by the hypothesis testing carried out. The first hypothesis, green marketing strategy influences the reputation of tourist villages with natural and artificial tourist attractions, has a value of P 0,000. These results indicate that H1 is accepted. The second hypothesis, green marketing strategy influences the business results of tourist villages with natural and artificial tourist attractions, has a value of P 0,000. This result indicates that H2 is accepted. The third hypothesis, that reputation has an influence on the business results of tourist villages with natural and artificial tourist attractions, has a value of P 0.437. These results indicate that H3 is rejected. Overall, two of the three research hypotheses were accepted, while one was rejected.

4.2 Discussion

Based on the results of this research, it has been empirically proven regarding the relationship model between green marketing strategy, reputation, and business results in the context of tourist villages in Indonesia. The findings from this research encourage the importance of implementing green marketing strategies in tourist village business models in encouraging the reputation and business results of tourist villages. Then it will be discussed in more depth how green marketing relates to the reputation and business results of tourist villages, as well as explaining how the relationship between reputation and business results turns out to be insignificant in the tourist villages in this research. First, based on the findings that green marketing strategies influence the reputation of tourist villages with natural and artificial tourist attractions, it emphasizes that it is important for tourist village managers to design strategies to gain competitive advantage based on the assumed need for sustainability and environmental issues. Increasing awareness of protecting the environment influences tourists to look for tourist destinations that are in line with environmental values [18]. Through the adoption of green marketing strategies, tourist villages become famous, especially among eco-conscious consumers. Green marketing strategy is also related to promoting and strengthening the local economy, thereby providing a good reputation for tourists and local communities to collaborate with each other. Second, based on the findings that the green marketing strategy influences the business results of tourist villages with natural and artificial tourist attractions, this provides encouragement that the results of the implementation of tourist villages can be influenced through green marketing strategy programs. There is a demand for the consumption of eco-friendly and sustainable products, including visiting options. It is important for tourist destinations to target tourists with preferences and values that are in line with environmental friendly values [19]. Tourist villages can present a unique selling point (USP) from this strategy, which can motivate both tourists to visit and return and local residents to participate in efforts to maintain and develop tourist villages. On a sustainable basis, this will contribute to the income of the tourist village and the welfare of the community around the tourist village [5]. Third, based on the findings that reputation has no effect on the business results of tourist villages, this shows that reputation alone is not enough to have a significant impact on the tourism business processes of tourist villages. Currently, the tourism industry has become a very competitive industry, creating a strong reputation alone does not guarantee that tourists will immediately choose the tourist destination. A strong reputation will attract attention, but it also needs to convey a message of value and a visiting experience that stands out in a saturated market. It cannot be ignored that the factor that makes tourists visit a destination is not only based on reputation.

As tourist villages face the challenge of preserving their environment while developing tourist attraction objects in artificial form, the implementation of a green marketing strategy becomes important. Implementing this strategy will have an impact on sustainability, improve reputation, and ultimately improve the performance of tourist villages in

contributing to the environment and village economy. Green marketing strategy has the potential to have a positive influence in the tourism sector [14, 20]. Based on the goals of the SDGs, sustainable tourism is not only about preserving nature but also creating tourist destinations that provide jobs and promote local culture.

Identity is an important part of improving reputation, which can then become a differentiator in an increasingly saturated and competitive market. Tourist villages in implementing a green marketing strategy need to promote branding as eco-friendly and sustainable tourist villages. Raising this identity can attract the attention of tourists who are sensitive to environmental issues as a form of their environmental responsibility. Tourist villages can show activities related to environmental protection practices carried out in the tourist village area. Activities such as using alternative energy and reducing waste can emphasize the dedication of tourist villages to become environmental friendly tourist destinations. This activity can attract the attention of tourists and strengthen the credibility of the tourist village as an environmental friendly tourist destination. Although the construction of artificial tourist attractions in the development of tourist villages is sometimes unavoidable, tourist villages can design so that sustainability can be seen in these artificial tourist attractions. The use of environmental friendly materials and eco-friendly operations can strike a balance between natural and artificial attractions.

One of the keys to implement a green marketing strategy in tourist villages is to show the contribution of tourist villages to local communities. Involving local residents is one form of how tourism village development is carried out in an inclusive manner. This needs to be material for marketers to convey this message to the public: the tourist villages support the lives of local communities, both economically and culturally. In particular, improving community welfare and preserving local culture are indicators of achieving SDGs in the tourism sector.

5 Conclusion

This research aims to analyze the influence of green marketing strategies on tourist villages with natural and artificial tourist attractions. The development of tourist villages has an impact on the economy, environment, and social community. A green marketing strategy is an approach that can be taken by tourist villages to balance the growth of tourist attractions with environmental and social sustainability values. The research results show that green marketing strategies influence the reputation and business results of tourist villages. The research results also prove that reputation alone does not have a significant influence on the business results of tourist villages.

A green marketing strategy is an important tool for tourist villages in improving their reputation and business performance to be able to compete in an increasingly saturated tourism market. Through integration between the development of natural and artificial tourist attractions and promoting eco-friendliness and sustainability, tourist villages gain a competitive advantage. This can also be a tool to see whether the development of natural tourism destinations will be in line with the principles of sustainability and support the goals of the SDGs, especially SDG 8 and 12.

It must be recognized that the results of this research have several limitations that need to be considered. First, it is realized that the respondents to this study did not identify which were visiting for the first time and which had already made return visits. Both have different incentives and assessments when choosing a tourist destination, and this can be an interesting insight into the characteristics of visitors to tourist villages with green marketing strategies. Second, there were no respondents from abroad. Green marketing strategies will increasingly have an impact when they are able to reach international market targets with values that are linear to sustainability. Assessment of tourist destinations by foreign tourists can provide

insight for developing green marketing strategies for foreign markets. It is hoped that future research can use this as an assumption in examining the relationship between green marketing strategy and tourist villages.

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