

## Analysis of Digital Marketing and Green Marketing Strategies to Maintain Business Sustainability on MSMEs Bandung Regency in Digital Era

Dwi Rachmawati<sup>1✉</sup>, Hadi Wijaya<sup>2</sup>, Yuni Pambreni<sup>3</sup>

Article Information	Abstract
Article History: Received: August 2023 Accepted: Sep 2023 Published: Sep 2023	This study aims to find out the influence of Digital Marketing and Green Marketing on marketing performance and Sustainability Business of MSMEs Bandung regency. With the number of respondents as many as 100 MSMEs actors. The instrument questionnaire employs a Likert scale with five scale. The study involves several variables: 1) Independent Variables encompass Digital Marketing and Green Marketing, 2) The Dependent Variable is Sustainability in Business, and 3) A Mediating Variable is Marketing Performance. Path analysis is employed for analyzing these variables in this research. The results show that only Digital Marketing and Green Marketing has positive influence on sustainability business of MSMEs Bandung regency through marketing performance.
Keywords: Digital_Marketing; Green_Marketing; Business_Sustainability	

✉ Correspondence Address:  
dwi@jgu.ac.id

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## Introduction

The very dynamic development of technology causes changes in various sectors, including the economy. Micro, Small and Medium Enterprises (MSMEs) as the main drivers of the Indonesian economy also feel the impact. Following the development of the digital economy, MSMEs in Indonesia must carry out business strategies with a digital touch to maintain the sustainability of their business.

According to the official website of Open Data Jabar 2021, Bandung Regency is one of the districts that has the most MSMEs actors in West Java with a total number of MSMEs of 476,954 MSMEs. However, many MSMEs are still having problems with marketing. According to the Department of Cooperatives and MSMEs in Bandung Regency, regional MSMEs are often constrained in marketing their products, they can produce products but sometimes have difficulty marketing their products due to the lack of a marketing network. The challenges faced by MSMEs in Bandung Regency include deficiencies in human resources, including limited marketing and accounting knowledge, low productivity, resulting in reduced competitiveness. Additionally, their utilization of information technology remains restricted, limiting market access and overall business efficiency. Furthermore, they lack extensive networks for marketing their products (Postgraduate MSMEs Research Center UNIKOM).

Many things have changed in the digital era. Various changes have occurred, including modes of communication, work patterns to

internal team dynamics, as well as patterns of consumer behavior that require MSMEs actors to be able to respond quickly and responsively. Various ways are used by MSMEs actors to survive, grow and develop. Changes in the marketing pattern of MSMEs products from offline to online seem to force MSMEs to be able to keep up with these changes.

By utilizing digital marketing technology, it will increase the ability of continuity and quality of products produced by MSMEs in serving their consumers, and can lead to rapid growth in their business (Jamiat & Supyansuri, 2020). Digital Marketing enables businesses to advertise products, break through previous geographical and temporal constraints, and reach untapped markets by leveraging various communication channels (Lamidi & Desma Rahadhini, 2021). Achieving growth, sustainability, and long-term success, regardless of their scale or industry, demands a fresh approach and unwavering dedication to a digital strategy, particularly for aspiring MSMEs (Dumitriu et al., 2019). Digital Marketing is a product marketing endeavor characterized by the pervasive use of technology in every stage. It has demonstrated its capability to enhance the sales potential of products, particularly those offered by MSMEs. (Purba et al., 2021). Utilizing Digital Marketing in business operations serves as a viable choice to bolster business sustainability. Moreover, the concept of Green Marketing holds significant appeal in aiding traditional businesses that manufacture local products in specific regions (Erwin et al., 2021).

Marketing based on environmental sustainability, green marketing is a new development in the field of marketing, and is a potential as well as strategic opportunity that has multiple benefits for both business people and the public as customers. Implementing a Green Marketing approach across product, pricing, distribution, and promotion aspects enhances the incorporation of environmental concerns throughout the entirety of a company's operations (Widyastuti, 2019). The increasing public concern for the environment makes Green Marketing attractive to apply in business activities. According to the Business Dictionary, green marketing is defined as promotional efforts directed at leveraging shifts in consumer perceptions regarding a brand. (Erwin et al., 2021).

Based on the description above about the role of Digital Marketing and Green Marketing and MSMEs in Bandung Regency, this study aims to examine the effect of using Digital Marketing and Green Marketing on the sustainability of MSMEs in Bandung Regency.

## Research Method

### METHOD

The population of this study is all MSMEs in Bandung Regency, totaling 476,954, where the sample design used is non-probability sampling by means of convenience sampling. The number of samples is calculated and determined using the Slovin formula with 5% of confidence level. From these calculations, the respondents in this study totaled 100 MSMEs actors in Bandung Regency.

The research instrument employed in this study consisted of a questionnaire crafted through the creation of operational definitions for each variable. The questionnaire utilized a Likert scale, ranging from 1 to 5, as its measurement scale.

Table 1. Operational Definitions Variable

No.	Variabel	Indikator	Scale
1.	Business Sustainability (Y)	1. Business Growth 2. Product Quality 3. Competitiveness 4. Business Environmental Conditions (Yanti et al., 2018)	Likert Scale 1-5
2.	Digital Marketing (X1)	1. Cost 2. Incentive Program 3. Site Design 4. Interactive (Liesander & Dharmayanti, 2018)	Likert Scale 1-5
3.	Green Marketing (X2)	1. Green Product 2. Green Price 3. Green Place 4. Green Promotion (Gusti, 2018)	Likert Scale 1-5
4.	Marketing performance (Z)	1. Sales Volume Growth 2. Customer Growth 3. Revenue growth (Saori et al., 2021)	Likert Scale 1-5

In this study, semantic tests and statistical tests were used to test the feasibility of the questionnaire. After ensuring that the instrument to be used is reliable and valid, the next step is data collection by distributing questionnaires to the respondents.

After that, data testing was carried out in the form of descriptive analysis, classic assumption test, hypothesis testing and path analysis. The research instrument employed in this study consisted of a questionnaire crafted through the creation of operational definitions for each variable. The questionnaire utilized a Likert scale, ranging from 1 to 5, as its measurement scale.

## RESULT

This section describes the research results which are divided into demographic profiles of respondents, variable descriptive analysis, hypothesis path analysis, and hypothesis testing.

### 1. Profile demography

Table 2. Profile demography.

	Demographic	Frequency	%
Gender	Male	21	21%
	Female	79	79%
Age	< 30	26	26%
	31 - 50	74	74%
	> 50	0	0%
Position	Owner	68	68%
	Employee	32	32%
Type Of Product	Foods	10	10%
	Clothes/Fashion	20	20%
	Souvenirs / Handicraft	65	65%
	other	5	5%

### 2. Path Analysis

There are two structural equations for path analysis in this study. Structural equation 1 aims to determine the relationship between Digital Marketing and Green Marketing on Marketing Performance. Structural equation 2 aims to determine the relationship between

marketing performance and business sustainability.

### Structural Equations 1

Table 3. The results of analyzing the first model

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	4.888	2.451		1.994	.049
X1	.347	.046	.493	7.616	.000
X2	.376	.054	.450	6.944	.000

a. Dependent

Variable: Y1

Based on the results of Table 3, the structural model 1 of path analysis can be written as follows:

$$Y = 0.493 X1 + 0.450 X2 + e1$$

Table 4. Determination Coefficient 1

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.789 <sup>a</sup>	.623	.616	3.51550

a. Predictors: (Constant), X2, X1

Furthermore, in calculating path coefficient (e) uses  $e1 = \sqrt{1 - R^2} = \sqrt{1 - 0.6232} = 0.782$

Based on calculation of path coefficient, the structural model of path analysis can be known as follows:  $Y = 0.493 X1 + 0.450 X2 + 0.782 e1$

### Structural Equations 2

Table 5. The results of analyzing the second model

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.491	2.046		-.240	.811
	X1	.147	.046	.190	3.169	.002
	X2	.326	.054	.354	6.096	.000
	Y1	.533	.079	.483	6.722	.000

a. Dependent

Variable: Y2

Based on Table 5 , the structural model 2 of path analysis can be written as follows:

$$Y = 0.483 Y + e2$$

Table 6. Determination Coefficient 2

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.891 <sup>a</sup>	.793	.788	2.88222

a. Predictors: (Constant), Y1, X2, X1

Furthermore, in calculating path coefficient (e) uses this formula  $e1 = \sqrt{1 - R^2} = \sqrt{1 - 0.793} = 0.609$

Based on calculation of path coefficient, the structural model 2 of path analysis can be known as follows:  $Y = 0.483 Y + 0.609 e2$

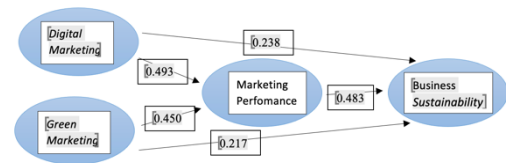


Figure 1. The Structural Model Influence of Path Analysis

### 3. Hypothesis test

Table 7. hypothesis test for direct effect

hypothesis	Sig. Value	Remarks
Digital Marketing has a positive effect on Marketing Performance (H1a)	.000	Accepted
Green Marketing has a positive effect on Marketing Performance (H2a)	.000	Accepted
Marketing Performance has a positive effect on Business Sustainability (H3a)	.000	Accepted

**Hypothesis test for indirect effect**

The examination of the indirect effect through hypothesis testing employs the Sobel test. This test is carried out to determine the presence of a mediating variable between the independent and dependent variables. The hypothesis is deemed valid when the Sobel test's calculation (z value) exceeds the t value.

Table 8. Hypothesis Test of Indirect Effect

No	hypothesis	Z value	Ttab	Remarks
1	Digital Marketing has a positive effect on sustainability business through marketing performance (H1b).	5.692	1.982	Accepted
2	Green Marketing has a positive effect on sustainability business through marketing performance (H2b).	6.160		Accepted

According to the results of Table 8, all hypotheses are accepted.

**Results and Discussion**

Based on the results of research, digital marketing and green marketing have a positive effect on business sustainability through marketing performance or directly. The results of this study are in line with Ahmadi's research (2020) (Ahmadi et al., 2020). The use of digital marketing that is directly integrated with

the marketplace is key in maintaining the sustainability of the MSMEs business (Santoso, 2020). (Ahmad et al., (2020) mention The Green Marketing Strategy is considered a very important indicator for improving the marketing performance of MSMEs. Lamidi & Desma Rahadhini (2021) shows that marketing performance plays a role in influencing the sustainability of culinary MSMEs in Surakarta. This research confirms that in the digital economy era, both Digital Marketing and Green Marketing can contribute to the maintenance of business sustainability. The results are consistent with the results of other studies conducted (Erwin et al., 2021), (Dewi & Sudhiksa, 2022).

**Conclusion**

From a theoretical perspective, this research marks a significant advancement in marketing theory as it systematically explores the interplay of Digital Marketing and Green Marketing in relation to business sustainability through marketing performance. Consequently, the study makes a valuable addition to the existing literature in this field. Furthermore, it charts a novel path in consumer behavior research by initiating a dialogue about the significance of Digital Marketing and Green Marketing practices, particularly in the context of MSMEs within the digital economy era.

Managerially, this research provides direction to MSMEs actors to apply digital marketing and green marketing strategies in their efforts to improve marketing performance and maintain the sustainability of their business. The use of digital marketing strategies is the right thing because this is a form of adaptation in the digital economy era where

consumer behavior is now starting to flow from conventional to digital. Apart from that, the green marketing strategy is also the right strategy to be used by business actors because currently people's awareness of the importance of caring for the environment or eco-green is increasing.

Limitation of this research in the sample that is used in small quantities and the majority are handicrafts may result in slightly subjective results. An interesting direction for further research is to conduct similar research with a homogeneous focus on MSMEs product research objects, because differences in MSMEs products can affect research results.

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