Vol. 7, No. 8, August 2026
E-ISSN:2723 – 6692 P-ISSN:2723– 6595
http://jiss.publikasiindonesia.id/

An Analysis of the Predetermining Factors of Sustainability Marketing and its Impact on Manufacturing Companies Listed on the Indonesian Stock Exchange (IDX)

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Keywords:
Sustainability Marketing Strategy; Industries Environmental Reputation; Industries Competitive Intensity; Financial Performance; Market Performance; SDGs,

Abstract

Climate change, environmental degradation, and increasing stakeholder demands have prompted companies to integrate sustainability considerations into their business and marketing strategies, particularly in the manufacturing sector, which contributes significantly to the economy while also exerting substantial environmental pressure. This study aimed to examine and analyze the antecedents of sustainability marketing and their impact on manufacturing companies listed on the Indonesia Stock Exchange (IDX). The study employed a quantitative approach involving a sample of 120 respondents selected through purposive sampling. Data were analyzed using Structural Equation Modeling (SEM) and SPSS. The results indicated that: (1) industry environmental reputation had no significant effect on sustainability marketing strategy; (2) industry competitive intensity had a significant effect on sustainability marketing strategy; (3) sustainability marketing strategy had a significant effect on financial performance; (4) sustainability marketing strategy had a significant effect on market performance; (5) industry environmental reputation had a significant indirect effect on financial performance through sustainability marketing strategy; (6) industry environmental reputation had a significant indirect effect on market performance through sustainability marketing strategy; (7) industry competitive intensity had a significant indirect effect on financial performance through sustainability marketing strategy; and (8) industry competitive intensity had a significant indirect effect on market performance through sustainability marketing strategy. This study provides an empirical contribution by reinforcing the role of sustainability marketing strategy as a mechanism linking industry-level factors to improved corporate performance in the context of Indonesian manufacturing companies.

INTRODUCTION

In recent years, sustainability has evolved from being merely a social responsibility issue into an integral part of corporate business strategy (Taherdangkoo et al., 2017). Growing concerns about climate change, environmental degradation, and demands from various stakeholders have driven companies to integrate economic, social, and environmental considerations into both their operational activities and marketing strategies (Gleim et al., 2023). This paradigm shift has given rise to the concept of sustainability marketing strategy, a marketing approach oriented not only toward achieving economic benefits but also toward considering long-term impacts on the environment and society (Mukonza & Swarts, 2020). This concept is believed to create a competitive advantage while enhancing firm value through the development of stronger relationships with customers, investors, regulators, and society (Sheth & Parvatiyar, 2021). This approach is also consistent with the implementation of the Sustainable Development Goals (SDGs) and the principles of corporate social responsibility, which are receiving increasing attention in the business community.

The manufacturing sector is one of the industries most relevant to the implementation of sustainability marketing because it contributes significantly to economic growth while also generating substantial environmental pressures through energy consumption, natural resource use, and production waste (Hermundsdottir & Aspelund, 2022; Nanyangwe & Phiri, 2021). In Indonesia, the manufacturing sector continues to face various challenges related to environmental management. The low level of compliance with environmental standards indicates that sustainability strategies have not yet been optimally implemented by many manufacturing companies. At the same time, companies are confronted with increasing competitive pressure, shifting consumer preferences toward environmentally friendly products, and growing investor demands regarding Environmental, Social, and Governance (ESG) practices. These conditions make sustainability marketing not merely an option but a strategic necessity for maintaining corporate competitiveness (Kemper & Ballantine, 2019; Sartal et al., 2020; Xu & Wang, 2018).

Various previous studies have shown that the implementation of a sustainability marketing strategy can improve firm performance both financially and in the marketplace. Chung (2020) found that sustainability marketing enables companies to develop segmentation, targeting, and positioning processes that incorporate environmental considerations, thereby fostering long-term customer relationships and enhancing corporate reputation. In addition, Rudawska (2018) stated that industry environmental reputation and industry competitive intensity are often identified as factors influencing the successful implementation of a sustainability marketing strategy. Gallardo-Vázquez et al. (2019) and Gong et al. (2023) explained that companies with a strong environmental reputation tend to gain higher levels of customer trust, whereas high competitive intensity encourages companies to pursue more innovative and sustainable marketing strategies.

Nevertheless, research findings regarding the factors influencing sustainability marketing strategy remain inconsistent. Taherdangkoo et al. (2019) found that industry environmental reputation influences sustainability marketing strategy, whereas industry competitive intensity does not have a significant effect. That study was conducted among exporting companies in Iran; therefore, its findings may not be generalizable to other developing-country contexts or different industrial sectors. Differences in economic characteristics, environmental regulations, organizational culture, and levels of industry competition may cause the relationships among these variables to yield different results when examined among manufacturing companies in Indonesia. In addition, previous research has not sufficiently explored how sustainability marketing strategy mediates the relationships between antecedent factors and financial performance or market performance.

Based on this background, this study aims to analyze the effects of industry environmental reputation and industry competitive intensity on sustainability marketing strategy, as well as their effects on financial performance and market performance among manufacturing companies listed on the Indonesia Stock Exchange (IDX). In addition to examining direct effects, this study also investigates the mediating role of sustainability marketing strategy in explaining the relationships between industry-level factors and firm performance. The findings of this study are expected to enrich the sustainability marketing literature while providing empirical evidence regarding the application of this model to manufacturing companies in Indonesia.

METHOD

This study employed a quantitative approach with an explanatory research design to examine the causal relationships among the variables formulated in the research hypotheses. The study focused on manufacturing companies listed on the Indonesia Stock Exchange (IDX) and examined the effects of industry environmental reputation and industry competitive intensity on sustainability marketing strategy, as well as their effects on financial performance and market performance. The conceptual model was tested using covariance-based Structural Equation Modeling (SEM) with IBM SPSS AMOS.

The study population consisted of employees of manufacturing companies listed on the IDX who were familiar with the implementation of sustainability marketing strategies. Respondents were selected using purposive sampling based on their involvement in marketing, corporate social responsibility, product management, project management, finance, or accounting functions. A total of 120 respondents participated in the study.

Primary data were collected using structured questionnaires with a five-point Likert scale. The instrument measured five constructs: industry environmental reputation, industry competitive intensity, sustainability marketing strategy, financial performance, and market performance. The measurement items were adapted from previous studies and adjusted to the context of manufacturing companies. Instrument validity was assessed using Confirmatory Factor Analysis (CFA), with factor loadings of ≥ 0.55, while reliability was evaluated using Cronbach's alpha, with values of ≥ 0.60.

Data analysis was conducted using descriptive statistics, measurement model evaluation, and structural model testing. Model fit was assessed using several Goodness-of-Fit indices, including GFI, AGFI, CFI, TLI, NFI, RMR, and RMSEA. Hypotheses were tested based on path coefficients and p-values at a 5% significance level ($\alpha = 0.05$). A hypothesis was considered supported when the p-value was ≤ 0.05. Direct and indirect effects were also examined to assess the mediating role of sustainability marketing strategy in the relationships between the antecedent variables and firm performance.

RESULTS AND DISCUSSION

Results

Table 1. Demographic Characteristics of Respondents (N = 120)

Characteristic	Category	Frequency (n)	Percentage (%)
Gender	Male	86	71,7
	Female	34	28,3
Age	18–24 years	26	21,7
	25–34 years	28	23,3
	35–44 years	28	23,3
	45–54 years	30	25,0
	55–64 years	8	6,7
Education	D3	9	7,5
	S1	5	4,2

	S2	86	71,7
	S3	18	15,0
	Other	2	1,7
Position	Vice President	10	8,3
	Marketing Manager/Staff	24	20,0
	CSR Manager/Staff	2	1,7
	Accounting Staff	15	12,5
	Product Manager/Staff	24	20,0
	Project Manager/Staff	15	12,5
	Financial Manager/Staff	6	5,0
	Other	24	20,0

Source: Primary data processed, 2024

The characteristics of the research respondents are presented in Table 1. Of the 120 total respondents, the majority were male (86 individuals or 71.7%), while female respondents numbered 34 (28.3%). This composition indicates that the respondent pool was dominated by male workers, a common characteristic of the manufacturing sector.

Regarding age groups, the largest segment fell within the 45–54 age range, comprising 30 individuals (25.0%). This was followed by the 25–34 and 35–44 age groups, each with 28 individuals (23.3%), and the 18–24 age group with 26 individuals (21.7%). The 55–64 age group had the fewest respondents, totaling 8 individuals (6.7%). This distribution indicates that the majority of respondents were of working age and possessed sufficient work experience to provide relevant assessments regarding the implementation of sustainability marketing strategies within their companies.

In terms of education level, the majority of respondents held a Master's degree (S2)—86 individuals (71.7%)—followed by those with a Doctoral degree (S3) at 18 (15.0%), a Diploma (D3) at 9 (7.5%), a Bachelor's degree (S1) at 5 (4.2%), and other educational backgrounds at 2 (1.7%). This suggests that most respondents possessed a relatively high level of education, implying they were likely capable of comprehensively understanding the concepts and implementation of sustainability marketing strategies.

Based on job roles, the respondents held various strategic positions within manufacturing companies. The largest groups of respondents came from the Marketing Manager/Staff, Product Manager/Staff, and "Other" categories, each comprising 24 individuals (20.0%). Furthermore, there are 15 individuals each (12.5%) in the Accounting Staff and Project Manager/Staff categories, followed by 10 Vice Presidents (8.3%), 6 Financial Managers/Staff (5.0%), and 2 CSR Managers/Staff (1.7%). This diversity of roles indicates that the research data was obtained from respondents with varying functions and responsibilities within the organization, thereby enabling a more comprehensive perspective on the implementation of sustainability marketing strategies and their impact on company performance.

Table 2. Results of Construct Validity Test

Variable	Factor Loading Value	Criteria	Conclusion
Sustainability Marketing Strategy (Segmenting)	0,909	≥0,55	Valid

Sustainability Marketing Strategy (Targeting)	0,938	≥0,55	Valid
Sustainability Marketing Strategy (Positioning)	0,943	≥0,55	Valid
Industries' Environmental Reputation	0,956	≥0,55	Valid
Industries' Competitive Intensity	0, 860	≥0,55	Valid
Financial Performance	0,913	≥0,55	Valid
Market Performance	0,893	≥0,55	Valid

Source: Primary data processed (SPSS), 2024

The validity test results indicate that all research indicators have factor loading values exceeding the minimum threshold of 0.55. The highest factor loading value is observed for the "Industries' Environmental Reputation" construct (0.956), while the lowest is found for the "Industries' Competitive Intensity" construct (0.860). Consequently, all indicators effectively represent their respective constructs, confirming that the research instrument is valid and suitable for use in the subsequent analysis stage.

Table 3. Reliability Test Results

Variable	Dimension	Cronbach's Alpha	Criteria	Conclusion
Sustainability Marketing Strategy	Segmenting	0,789	≥0,60	Reliable
	Targeting	0,864	≥0,60	Reliable
	Positioning	0,875	≥0,60	Reliable
Industries' Environmental Reputation	-	0,905	≥0,60	Reliable
Industries' Competitive Intensity	-	0,729	≥0,60	Reliable
Financial Performance	-	0,937	≥0,60	Reliable
Market Performance	-	0,919	≥0,60	Reliable

Source: Primary data processed (SPSS), 2024

Reliability test results indicate that all variables have Cronbach's Alpha values above 0.60. The highest reliability value is observed for the Financial Performance variable (0.937), while the lowest is found in the Industries' Competitive Intensity variable (0.729). All constructs meet the reliability criteria, demonstrating that the research instrument possesses good internal consistency and is capable of producing stable measurements.

Table 4. Hypothesis Testing Results

Code	Hypothesis	Path Coefficient (β)	p-value	Decision
H1	Industries' Environmental Reputation → Sustainability Marketing Strategy	0,038	0,685	Not Supported
H2	Industries' Competitive Intensity → Sustainability Marketing Strategy	0,675	0,000	Supported
H3	Sustainability Marketing Strategy → Financial Performance	0,770	0,000	Supported

H4	Sustainability Marketing Strategy → Market Performance	0,716	0,000	Supported
H5	Industries' Environmental Reputation → Financial Performance through Sustainability Marketing Strategy	0,147	0,018	Supported
H6	Industries' Environmental Reputation → Market Performance through Sustainability Marketing Strategy	0,157	0,005	Supported
H7	Industries' Competitive Intensity → Financial Performance through Sustainability Marketing Strategy	0,495	0,003	Supported
H8	Industries' Competitive Intensity → Market Performance through Sustainability Marketing Strategy	0,550	0,000	Supported

Source: Primary data processed (SEM AMOS), 2024

Based on Table 4, the results indicate that Hypothesis 1 (H1) is not supported. The variable "Industries' Environmental Reputation" has a positive influence on "Sustainability Marketing Strategy" with a coefficient of 0.038; however, this relationship is not significant ($p = 0.685 > 0.05$). These findings suggest that a company's environmental reputation is not yet sufficient to drive the development of a tangible sustainability marketing strategy.

Conversely, Hypothesis 2 (H2) is supported. "Industries' Competitive Intensity" has a positive and significant influence on "Sustainability Marketing Strategy," with a coefficient of 0.675 ($p < 0.001$). This result indicates that the higher the level of industry competition, the greater the company's tendency to implement sustainability-oriented marketing strategies as a means of gaining a competitive advantage.

Furthermore, Hypothesis 3 (H3) shows that "Sustainability Marketing Strategy" has a positive and significant influence on "Financial Performance," with a coefficient of 0.770 ($p < 0.001$). This coefficient is the highest among all the direct relationships tested, demonstrating that the implementation of a sustainability marketing strategy contributes significantly to improving a company's financial performance.

Regarding Hypothesis 4 (H4), it was also found that "Sustainability Marketing Strategy" has a positive and significant influence on "Market Performance," with a coefficient of 0.716 ($p < 0.001$). These findings indicate that implementing a sustainability marketing strategy can enhance a company's market performance—for instance, by increasing the customer base, customer loyalty, and market competitiveness.

The results of the indirect effect analysis indicate that Hypothesis 5 (H5) is supported. "Industries' Environmental Reputation" positively influences "Financial Performance" through "Sustainability Marketing Strategy," with a coefficient of 0.147 ($p = 0.018$). This demonstrates that a sustainability marketing strategy serves as a mediating mechanism linking environmental reputation to improved financial performance.

Finally, Hypothesis 6 (H6) is also supported. Industry environmental reputation has a positive effect on market performance through sustainability marketing strategy, with a coefficient of 0.157 ($p = 0.005$). Thus, a company's environmental reputation can enhance market performance when implemented through a sustainability-oriented marketing strategy.

Regarding Hypothesis 7 (H7), the results show that industry competitive intensity has a positive and significant effect on financial performance through sustainability marketing strategy, with a coefficient of 0.495 ($p = 0.003$). These results indicate that sustainability marketing strategy acts as a mediating variable, bridging the impact of industry competitive intensity on improved financial performance.

Finally, Hypothesis 8 (H8) demonstrates that industry competitive intensity has a positive and significant effect on market performance through sustainability marketing strategy, with a coefficient of 0.550 ($p < 0.001$). These findings indicate that companies facing high industry competition tend to achieve improved market performance if they are able to effectively implement sustainability marketing strategies.

The Influence of Industry Competitive Intensity on Financial Performance via Sustainability Marketing Strategy

Based on the results of the hypothesis 1 test, it was found that industry environmental reputation does not influence sustainability marketing strategy. This implies that an industry's environmental reputation—emphasized through customer considerations regarding a company's adoption of eco-friendly business practices and customer demand for eco-friendly products—is insufficient to drive the development of sustainability marketing strategies within those companies. These findings indicate that industry environmental reputation does not necessarily influence a company's segmenting, targeting, and positioning activities. Companies may already be engaged in activities related to environmental concern or eco-friendliness, as sustainability marketing strategies can be implemented independently of external pressures regarding environmental practices. Activities related to CSR or environmental concern are mandatory for publicly listed companies, a requirement supported by Law Number 32 of 2009 concerning Environmental Protection and Management. Furthermore, variations in self-assessment practices across companies play a role; a specific company's self-assessment may not align with standardized benchmarks. This is compounded by differences in how environmental reputation is measured; companies with lower reputation levels often face greater obstacles in conducting self-assessments. Consequently, the notion that manufacturing companies generally exhibit inferior environmental management performance or reputation is not entirely accurate, as such disparities stem from differences in the number, diversity, and distribution of manufacturing companies in Indonesia. These findings diverge from the study by Taherdangkoo et al. (2019), which demonstrated that a company's environmental reputation can strengthen its sustainability marketing orientation by enhancing stakeholder trust and bolstering market differentiation.

The Influence of Industry Competitive Intensity on Sustainability Marketing Strategy

Based on the results of the hypothesis 2 test, it is evident that industry competitive intensity influences sustainability marketing strategy. This implies that a high level of competitive intensity—driven by the number of known competitors, an understanding of competitors' sustainability-related innovation efforts, and the rise of eco-friendly products in response to customer demand (itself fueled by competitors' environmental initiatives)—can drive the development of a company's Sustainability Marketing Strategy (SMS). These findings are supported by prior research (E. S. Quaye, 2021; Vehbi et al., 2025; Zhang et al., 2020), which identifies competitive intensity as a crucial factor in SMS implementation; it serves as a benchmark for gauging the extent of market competition and the intensity of a company's sustainability initiatives. Leonidou et al. (2017) further note that competitive intensity acts as a catalyst for companies to explore sustainability issues and positively influences their sustainability activities. Higher competitive intensity drives greater SMS implementation, whereas low intensity can lead to complacency regarding environmental issues.

The Influence of Sustainability Marketing Strategy on Financial Performance

Hypothesis 3 testing reveals that Sustainability Marketing Strategy (SMS) influences Financial Performance. Specifically, implementing an SMS—by incorporating customer views on environmental concerns into the pillars of market segmentation, targeting, and positioning—leads to improved financial performance. These results align with previous studies indicating a link between SMS implementation and economic performance, a key component of overall financial performance. According to Rathore (2017), a positive relationship exists between the implementation of Sustainability Marketing Strategy (SMS) and financial performance—a finding consistent with other studies (Cantele & Zardini, 2018; Leonidou et al., 2017; Xie et al., 2019). Based on value-creating theory, implementing SMS within a company's business operations can minimize risk and foster long-term value creation (Setiadi et al., 2017). Companies that excel in SMS implementation can achieve superior financial performance due to factors such as lower capital requirements, increased employee satisfaction, and reduced regulatory oversight (Cantele & Zardini, 2018; Xie et al., 2019).

The Influence of Sustainability Marketing Strategy on Market Performance.

Based on the results of the hypothesis 4 test, it can be concluded that Sustainability Marketing Strategy influences market performance. This means that the implementation of a sustainability marketing strategy—driven by considering customer opinions on environmental concerns as a foundation for market segmentation, targeting, and positioning—has supported more stable and improved market performance for the company. These findings are supported by previous research indicating that SMS implementation can reduce waste generation, eliminate sustainability-related risks, drive cost savings, and strengthen customer relationships while enhancing the company's reputation and image among customers (Hasan & Ali, 2017). Such implementation also enables companies to reach new market segments, boost customer satisfaction, encourage repeat purchases, and attract new customers, thereby contributing to a larger market share (Risitano et al., 2022). Other studies further confirm a positive relationship between SMS implementation and the development of a company's market performance (Gleim et al., 2023; Leonidou et al., 2017). Papadas et al. (2019) adds that literature on SMS implementation explains that managing and applying SMS concepts aligned with customer preferences and needs can significantly impact a company's survival and growth outcomes. Achieving strong market performance relies on specific conditions, such as effectively implementing SMS concepts—specifically customer segmentation and targeting—and aligning with market needs and desires (Cantele & Zardini, 2018).

The Influence of Industry Environmental Reputation on Financial Performance via Sustainability Marketing Strategy

Hypothesis 5 testing reveals that an industry's environmental reputation influences financial performance through a sustainability marketing strategy (SMS). This indicates that SMS mediates the relationship between industry environmental reputation and financial performance. Specifically, implementing an SMS—where customer considerations and opinions regarding environmental concern serve as pillars for segmentation, targeting, and market positioning—can lead to superior financial performance. These findings are supported by prior research stating that industry environmental reputation can indirectly influence financial performance through SMS; companies must emphasize environmental reputation and environmental activities (SMS) that align with customer considerations and needs to ensure survival and profitability (Feng et al., 2022). Corporate efforts to mitigate environmental impacts can serve as profitable investments, potentially avoiding costs imposed by government bodies or local authorities (Baah et al., 2021). Thus, it is confirmed that investment costs can be offset by improved financial performance driven by a strong environmental reputation, given that environmental pollution represents a form of economic waste (Gangi et al., 2020). Conversely, based on Trade-off Theory, companies implementing environmental initiatives through SMS may experience reduced financial performance if the costs associated with these initiatives exceed the benefits gained (Mukonza & Swarts, 2020). Thus, a company's reputation regarding environmental activities (Industries' Environmental Reputation) can enhance and influence its financial performance, provided the company prioritizes and develops a more sustainable marketing strategy within its business operations; consequently, the company's financial performance—in terms of profits, sales, return on capital or investment, and so forth—becomes more stable and improves.

The Influence of Industries' Environmental Reputation on Market Performance via Sustainability Marketing Strategy

Hypothesis 6 testing reveals that a company's environmental reputation influences market performance through a sustainability marketing strategy. This indicates that the sustainability marketing strategy mediates the relationship between environmental reputation and market performance. Specifically, implementing a sustainability marketing strategy—where customer considerations and opinions regarding environmental concern serve as pillars for market segmentation, targeting, and positioning—can stabilize and improve the company's market performance. These findings are supported by prior research stating that environmental reputation indirectly influences market performance through sustainability marketing strategies; a company's reputation for environmental activities acts as a key factor in adopting such strategies, leading to higher sales, market share, and profits by better addressing diverse customer needs (Nguyen & Adomako, 2021). Responding to global public interest, companies generate publicity and expand market share by integrating environmental issues into their marketing strategies, thereby boosting market performance and potentially surpassing competitors (Ali et al., 2024; Wang & Juo, 2024). A product stewardship approach supports the integration of environmental considerations into product formulation—specifically during product creation and design—enabling companies to achieve a competitive advantage and establish themselves as first movers (Leonidou et al., 2017). Thus, a company's reputation regarding environmental activities can enhance and stabilize its market financial performance, provided the company prioritizes and develops more sustainable marketing strategies within its business operations; this leads to greater stability and improvement in market performance—manifested through an increased number of new customers, higher sales, greater customer satisfaction, and successful customer loyalty—driven by the implementation of these sustainable marketing strategies.

The Influence of Industry Competitive Intensity on Financial Performance via Sustainability Marketing Strategy

Hypothesis 7 testing reveals that industry competitive intensity influences financial performance through sustainability marketing strategy. This indicates that sustainability marketing strategy mediates the relationship between industry competitive intensity and financial performance. Specifically, implementing a sustainability marketing strategy—where customer opinions and concerns regarding the environment serve as pillars for segmentation, targeting, and positioning—can lead to superior financial performance. These findings are supported by prior research stating that industry competitive intensity can indirectly affect financial performance through sustainability marketing strategy; while a positive financial correlation exists between industry competitive intensity and sustainability marketing strategy, the intensity of competition can also pose a constraint. Industry competitive intensity often imposes a financial burden on companies due to the costs associated with implementing sustainability marketing strategies (Afum et al., 2020; Hammami & Othmani, 2024). Vuong et al. (2024) further note that sectoral characteristics shape CSR implementation—given that environmental and social impacts vary by company—and that industry competitive intensity can influence the relationship between sustainability marketing strategy and financial performance. Thus, the level of industry competitive intensity can enhance and impact a company's financial performance, provided the company prioritizes and develops sustainability-oriented marketing strategies within its business operations; doing so fosters greater stability and improvement in metrics such as profits, sales, and return on investment.

The Influence of Industry Competitive Intensity on Market Performance via Sustainability Marketing Strategy

Hypothesis 8 testing reveals that industry competitive intensity influences market performance through sustainability marketing strategy. This indicates that sustainability marketing strategy mediates the relationship between industry competitive intensity and market performance. The implementation of a sustainability marketing strategy (SMS)—informed by customer opinions and concerns regarding the environment as a basis for segmentation, targeting, and positioning—can stabilize and improve a company's market performance. These findings align with prior research indicating that industry competitive intensity indirectly influences market performance through SMS; companies operating in highly competitive markets need innovative strategies like SMS to gain a competitive advantage, boost sales, retain existing customers, and potentially attract new ones (Afum et al., 2020). The spread of sustainability concepts (SMS) within the competitive landscape has motivated companies to address sustainability issues—encompassing environmental, social, and economic aspects—and to strengthen their market position and share through these engagements (Leonidou et al., 2017). Consequently, industry competitive intensity can drive and stabilize market performance if companies prioritize and develop sustainable marketing strategies within their business operations; this leads to improved stability and performance outcomes, such as an influx of new customers, increased sales, higher customer satisfaction, and enhanced customer loyalty resulting from sustainable strategic planning.

CONCLUSION

This study aimed to analyze the effects of industry environmental reputation and industry competitive intensity on sustainability marketing strategy, as well as their effects on the financial and market performance of manufacturing companies listed on the Indonesia Stock Exchange (IDX). The results indicated that industry competitive intensity had a positive and significant effect on sustainability marketing strategy, whereas industry environmental reputation did not have a significant direct effect. Furthermore, sustainability marketing strategy positively influenced both financial performance and market performance. The findings also demonstrated that sustainability marketing strategy mediated the effects of industry environmental reputation and industry competitive intensity on both dimensions of corporate performance, indicating that the implementation of a sustainability marketing strategy served as an important mechanism linking industry-level factors to improved organizational performance.

These findings suggested that manufacturing companies should regard competitive intensity as a driver for developing sustainability-oriented marketing strategies rather than merely as a source of market pressure. The study also provided an empirical contribution by reinforcing the role of sustainability marketing strategy as a mediating variable linking industry-level factors to financial and market performance. In addition, the findings extended empirical evidence from a model previously developed in the context of Iranian exporting firms by testing it among manufacturing companies listed on the Indonesia Stock Exchange (IDX), thereby demonstrating that relationships among variables may differ across industrial and national contexts.

This study had several limitations. First, it focused solely on manufacturing companies listed on the Indonesia Stock Exchange (IDX); therefore, the findings may not be generalizable to other industrial sectors. Second, the research model examined only two antecedent variables—industry environmental reputation and industry competitive intensity—leaving other potential determinants of sustainability marketing strategy unexplored. Accordingly, future research should broaden the sample to include different industrial sectors or multiple countries, incorporate additional antecedent variables such as green innovation, market orientation, environmental capabilities, and digital transformation, and employ longitudinal designs or more comprehensive analytical approaches to provide deeper insights into the factors influencing the successful implementation of sustainability marketing strategies.

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