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The Role of Green Marketing and Product Quality on Competitive Advantages of Natural Dyes Sasirangan Fabric: A Study on Small and Medium Industry (SMI) Lins Gallery in Banjarmasin, Indonesia

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A B S T R A C T

Green marketing is very important in creating a positive impact on the environment and society. By promoting environmentally friendly products and services, companies can become agents of change that contribute to improving the quality of the environment and society as a whole. In addition, Green Marketing also provides an opportunity for companies to build a positive image and strengthen relationships with consumers who are increasingly concerned about environmental issues. This study aimed to determine the role of green marketing and product quality on the competitiveness of SMI Lins Gallery in Banjarmasin. This study is qualitative research. Respondents to this study were consumers who made a one-time purchase and used the product with a total sample of 100 people. The analysis technique used in this study is SEM-PLS (structural equation modeling-partial least square) through SmartPLS 3.0 software. Green marketing has a positive and significant effect on competitive advantage in Lins Gallery's natural dye sasirangan fabric products in Banjarmasin. Product quality has a positive and significant effect on competitive advantage in Lins Gallery natural dye sasirangan fabric products in Banjarmasin.

1. Introduction

In the increasingly advanced era of globalization, environmental issues have become a major concern for people around the world. Awareness of the importance of environmental preservation and efforts to address climate change is increasing. In this context, corporate responsibility to the environment and society is also increasingly considered. Industries from various sectors are faced with demands to adopt sustainable and environmentally responsible business practices. One approach that has been adopted by various companies is green marketing. Green marketing is a strategy that aims to promote environmentally friendly products and services, as well as educate consumers about the benefits of supporting these products for the environment and society. This approach emerged as a response to increasing consumer awareness of environmental issues and their demand to contribute to environmental preservation through purchasing decisions (Ottman, 2006).

Green Marketing is not just about claiming a product or service as "environmentally friendly" but also involves a sustainable product development process, the use of raw materials that are better for the environment, more energy-efficient production processes, reduced waste, and longer product life

cycles (Polonsky, 2001). In addition, green marketing strategies can also include information and educational campaigns to increase consumer awareness and understanding of environmental issues. The role of green marketing is very important in creating a positive impact on the environment and society (Lee, 2015). By promoting environmentally friendly products and services, companies can become agents of change that contribute to improving the quality of the environment and society as a whole. In addition, green marketing also provides an opportunity for companies to build a positive image and strengthen relationships with consumers who are increasingly concerned about environmental issues (Peattie, 2005).

Indonesia has a rich and diverse cultural heritage, including the art of weaving and the natural dyeing of traditional fabrics. Sasirangan cloth is a real example of local wisdom passed down from generation to generation. This cloth is a traditional woven product originating from South Kalimantan, especially the Banjarmasin area. Sasirangan, in particular, is an important representation of the Banjar people and has become an inseparable part of their cultural identity. One aspect that makes sasirangan cloth superior in the context of green marketing is the use of natural dyes used in the manufacturing process. Natural dyes are dyes extracted from natural resources such as plants, roots, bark, or rocks, so they do not contain synthetic chemicals that are harmful to the environment and human health. In the natural dyeing process, these materials are treated in an environmentally friendly manner, ensuring that the resulting waste can be easily decomposed by nature without leaving a negative impact. Sustainability and environmental preservation are important elements in the sasirangan fabric industry. The traditional weaving process uses hand techniques that minimize energy consumption and reduce the carbon footprint created during production. In addition, the natural dyeing process also contributes to reducing the

negative impact on the environment due to the use of renewable natural resources. Sasirangan cloth with natural dyes is unique in its distinctive patterns, which reflect local beauty and wisdom. Each pattern and color on the sasirangan cloth has its own meaning and symbolism, telling the cultural and historical story of the community that created it. Therefore, this product is not just a cloth but also represents the cultural diversity and natural beauty of Indonesia. This study aimed to determine the role of Green Marketing and product quality on the competitiveness of SMI Lins Gallery in Banjarmasin.

2. Literature Review
Green marketing

Green marketing is a marketing strategy that aims to promote environmentally friendly products and services, as well as create awareness and concern for environmental issues among consumers. The main goal of green marketing is to encourage consumers to make purchasing choices that are more sustainable and environmentally sound. Companies that implement green marketing seek to portray their products as more environmentally friendly options. They highlight the sustainable use of natural resources, more energy-efficient production processes, the use of recycled or renewable raw materials, and the reduction of waste. Green marketing also involves information and education campaigns to consumers about the benefits of environmentally friendly products and the positive impacts that can result from supporting environmentally responsible business practices. Some products that meet certain environmental standards may be labeled or certified, indicating their level of sustainability. This assists consumers in identifying products that are compatible with the environmental values they support. Greenwashing is a practice in which companies mislead consumers by claiming their products are more environmentally friendly than they actually are. Honest and transparent green marketing seeks to avoid greenwashing and provides accurate information

about product sustainability. Green marketing is not only about environmental aspects but also focuses on increasing efficiency and product quality. The company strives to produce products that are durable, have a long service life, and provide added value for consumers. Through green marketing, companies participate in market development for sustainable products. By supporting and promoting eco-friendly products, they create greater demand for such products, which in turn can encourage other companies to adopt more sustainable business practices. The implementation of Green Marketing provides multiple benefits, namely creating a positive impact on the environment and enhancing the company's image in the eyes of consumers. Consumers who are increasingly aware of environmental issues tend to be more inclined to purchase environmentally friendly products, and green marketing provides an opportunity for companies to contribute to environmental preservation while meeting the growing market demand for sustainable products (Charter, 2009; Sarkar, 2017).

Product quality

Product quality refers to the level of superiority and sophistication of a product in meeting consumer needs and expectations (Menon, 1997). This is a very important attribute in influencing consumer purchasing decisions and satisfaction. Product quality includes not only the technical and functional features of the product itself but also other factors that affect the user experience, such as design, convenience, reliability, and customer service. Functionality is the product's ability to perform the expected tasks or functions properly. A product must fulfill the main purpose and functions promised in accordance with consumer needs. Performance measures the extent to which the product can achieve the standards and results expected by consumers. Product quality is closely related to its performance, such as speed, accuracy, durability, and efficiency. Reliability is the

ability of a product to function consistently and reliably without experiencing unwanted failure or damage during its lifetime. Reliable products tend to have a longer service life and minimize repair or replacement costs. Product design involves aesthetic and ergonomic aspects that affect the user experience. Good design can increase the aesthetic value, comfort, and ease of use of the product, which in turn can increase the attractiveness and preference of consumers. Product quality also includes good customer service support. Responding to complaints, providing technical assistance, and providing after-sales support are important elements that can strengthen a positive image of the company and its products in the eyes of consumers. A quality product must meet safety and security standards to protect consumers from risk or injury during use. Product quality is also related to the level of innovation offered. Innovative products tend to provide better or new solutions to meet consumer needs. Product quality is a key factor in building consumer trust, creating brand loyalty, and winning competition in the market. Companies focusing on product quality can often achieve a competitive advantage and create a stable market share over the long term. Therefore, the development, monitoring, and continuous improvement of product quality is essential to the marketing strategy and overall success of the company (Azzone, 1994).

Competitive advantage

Competitive advantage refers to certain circumstances or attributes that differentiate a company, product, or service from its competitors in the market. These are the factors or features that give a competitive advantage and enable a company to achieve a superior position and succeed in the business competition. Competitive advantage can cover various aspects that make a company more prominent and attractive to consumers than its competitors. Companies that offer higher quality products or services than their competitors may

attract consumers who are looking for products that are more reliable, efficient, and durable. The company's ability to continuously innovate and present new products or services that uniquely and creatively meet the needs and desires of consumers can provide a competitive advantage. If a company can offer a product or service at a more competitive price than its competitors without compromising on quality, this can be an attractive factor for consumers. Providing superior and responsive customer service can build consumer trust and loyalty, which in turn can provide a competitive advantage. Companies that have more efficient production and distribution processes are able to offer products at a lower cost, enabling them to compete more effectively in the marketplace. A strong and positive brand can be a valuable asset in creating consumer preferences and differentiating products from similar competitors. Companies that have access to scarce resources, such as advanced technology, proprietary intellectual property rights, or the best raw materials, can leverage these advantages to create products or services that are better than those of their competitors. Companies with broad market reach or better penetration in certain areas can achieve faster growth and higher competitiveness. Companies that demonstrate a commitment to sustainability and social responsibility can attract consumers who are more concerned about environmental and social issues. Competitive advantage is dynamic and constantly changing in a competitive business environment. Therefore, companies need to continuously evaluate and adjust to maintain and improve their advantages in order to remain relevant in an ever-changing market (Peattie, 2001; Sarkar, 2017).

3. Methods

This type of research is quantitative with a causal relationship. The quantitative method is referred to as the scientific method because it meets scientific principles, namely empirical, objective, measurable,

rational, and systematic, and the research data used is in the form of steps. The population in this study were consumers who purchased naturally dyed sasirangan fabric at the Lins Gallery at least once and introduced their products. Samples were taken using the non-probability sampling method, and determining the sample was done using the Purposive Sampling technique. Determining the number of samples in this study uses Roscoe calculations. Based on this theory, the minimum number of samples that can be used is 100 samples. The data collection method uses a questionnaire that is distributed online via social media, Instagram, and Whatsapp. The analysis technique used in this study is SEM-PLS (structural equation modeling-partial least square) through SmartPLS 3.0 software.

4. Results and Discussion
Convergent validity test

The validity test was carried out using SmartPLS 3.0 software by looking at convergence validity based on outer loading values with a test value limit of > 7 and average variance extracted with a test value limit of > 0.5. The results showed that the statement items in the variable indicators of green marketing, product quality, and competitive advantage met the requirements of the convergent validity test and were feasible to be used in the next process.

Discriminant validity test

The validity test was also carried out using discriminant validity based on the Fronell-Larcker criteria (the correlation value between variables is smaller than the AVE root) in the cross-loading value (the overall correlation value of each variable to the indicator has a value of > 7 and when compared with the cross loading value of other variables it has the greatest value). This shows that the overall results of the discriminant test, the indicators that make up each variable, have a strong relationship and have met the quality standards of the discriminant validity test.

Table 1. Convergent validity.

Variable	Indicator	Outer loading	Information	AVE
Green marketing (X1)	CA1	0,947	Valid	0,774
	CA2	0,903	Valid	
	CA3	0,951	Valid	
	CA4	0,889	Valid	
	CA5	0,93	Valid	
	CA6	0,878	Valid	
	CA7	0,937	Valid	
	CA8	0,871	Valid	
Product quality (X2)	PQ1	0,817	Valid	0,762
	PQ2	0,757	Valid	
	PQ3	0,878	Valid	
	PQ4	0,854	Valid	
	PQ5	0,916	Valid	
	PQ6	0,903	Valid	
	PQ7	0,862	Valid	
	PQ8	0,889	Valid	
	PQ9	0,843	Valid	
	PQ10	0,926	Valid	
	PQ11	0,894	Valid	
	PQ12	0,914	Valid	
	PQ13	0,86	Valid	
	PQ14	0,902	Valid	
	PQ15	0,851	Valid	
	PQ16	0,89	Valid	
Competitive advantage (Y)	GM1	0,893	Valid	0,835
	GM2	0,902	Valid	
	GM3	0,917	Valid	
	GM4	0,868	Valid	
	GM5	0,848	Valid	
	GM6	0,901	Valid	
	GM7	0,87	Valid	
	GM8	0,836	Valid	

Table 2. Fronell-Larcker criterion.

Variable	Green marketing (X1)	Competitive advantage (Y)	Product quality (X2)
Green marketing (X1)	0,880		
Competitive advantage (Y)	0,911	0,914	
Product quality (X2)	0,975	0,966	0,873

Based on the results of the Fronell-Larcker criterion test (Table 2), it can be seen that the correlation value between variables is smaller than the AVE root. This hall indicates that all variables in the research conducted have met the criteria of discriminant validity so that the next stage can be carried out.

Table 3. Cross loading.

Indicator	Green marketing (X1)	Competitive advantage (Y)	Product quality (X2)
Ca1	0,836	0,947	0,896
Ca2	0,858	0,903	0,894
Ca3	0,856	0,951	0,914
Ca4	0,779	0,889	0,86
Ca5	0,86	0,93	0,902
Ca6	0,803	0,878	0,851
Ca7	0,848	0,937	0,89
Ca8	0,815	0,871	0,851
PQ1	0,836	0,74	0,817
PQ2	0,733	0,666	0,757
PQ3	0,901	0,8	0,878
PQ4	0,87	0,769	0,854
PQ5	0,87	0,852	0,916
PQ6	0,844	0,854	0,903
PQ7	0,902	0,777	0,862
PQ8	0,917	0,8	0,889
PQ9	0,868	0,796	0,843
PQ10	0,899	0,87	0,926
PQ11	0,858	0,903	0,894
PQ12	0,856	0,951	0,914
PQ13	0,779	0,889	0,86
PQ14	0,86	0,93	0,902
PQ15	0,803	0,878	0,851
PQ16	0,848	0,937	0,89
GM1	0,893	0,754	0,816
GM2	0,902	0,777	0,862
GM3	0,917	0,8	0,889
GM4	0,868	0,796	0,843
GM5	0,848	0,937	0,89
GM6	0,901	0,8	0,878
GM7	0,87	0,769	0,854
GM8	0,836	0,74	0,817

The cross-loading value in the discriminant validity test in the research conducted shows that the overall correlation value of each variable on the indicator has a value of > 0.7, and when compared to the cross-loading value of other variables, it has the greatest value. This shows that in a discriminant test, the indicators that are marketing for each variable have a strong relationship and already have a quality standard of discriminant validity test.

Reliability test

The reliability test shows that Cronbach's alpha value and the composite reliability value for all variables (green marketing, product quality, competitive advantage) have a value of > 0.7. This shows that all the variables used in this study are reliable as a measuring tool.

Table 4. Cronbach's Alpha.

Variable	Cronbach's Alpha	Composite reliability
Green Marketing (X1)	0,958	0,965
Product Quality (X2)	0,979	0,981
Competitive Advantage (Y)	0,972	0,976

Further data analysis was carried out by looking at the results of the research first after testing the hypothesis using the bootstrapping method contained in SmartPLS 0.3. Testing this hypothesis can be done through the path coefficients (path coefficients), T statistics, and P-values. Path coefficients show the hypothesized relationships between constructs. The path coefficient has a default value between -1 and +1 (values can be smaller/larger but are usually somewhere in between). Path coefficients estimated to be close to +1 indicate a strong positive relationship (and vice versa for negative values), which is usually statistically significant. The closer the estimated coefficient is to 0, the weaker the relationship. Very low values close to 0 are usually insignificant. T-statistic values were obtained using the bootstrapping procedure, which indicates the level of significance between constructs. The hypothesis is accepted if the T-statistic value is > 1.96 (two-tailed) and the P-value < 0.05.

Table 5. Path coefficient results.

Variable	Original sample (O)	T-statistics ($|O/STDEV|$)	P-values
Green marketing (X1) -> Competitive advantage (Y)	0,646	5,271	0,000
Product Quality (X2) -> Competitive advantage (Y)	1,596	13,443	0,000

Based on Table 5 above, it can be explained that the two variables with a direct effect have a positive and significant correlation. The relationship between the two variables, green marketing (X1) on competitive advantage (Y), directly and indirectly, shows the original sample value (path coefficient) of 0.646, the T statistic is 5.271, and the P value is 0.000 so that the effect of green marketing (X1) on competitive advantage (Y) (the condition for the significance of the T-statistic > 1.96 with a P-value <0.05) has a positive correlation. Meanwhile, the variable product quality (X2) on competitive advantage (Y) directly shows the original sample value (path coefficient) 1.596, T statistic 13.443, and P value 0.000, so the effect of product quality (X2) on competitive advantage (Y) (significance requirement for T statistic > 1.96 and P value <0.05) has a positive correlation.

The effect of green marketing on competitive advantage

Green marketing (X1) on competitive advantage (Y) directly shows the original sample value (path coefficient) 0.646, T-statistic 5.271, and P value 0.000, so that the effect of green marketing (X1) on competitive advantage (Y) (significance requirement for T statistic > 1.96 and P value <0.05) has a positive correlation. Green marketing has an effect on the competitive advantage of consumers of fabric products, natural products from the Lins Gallery in Banjarmasin show that green marketing is important in order to increase the competitive advantage of natural dyes for sasirangan fabric products from SMI Lins Gallery because Lins Gallery's strategy is to carry out green marketing so that consumers look at their marketing strategy, not just choosing the products offered. Consumers are aware of the importance of products that are safe and comfortable for the environment, even though the prices offered for products made from nature are more expensive than other products. This is because green marketing uses facilities that do not damage the environment in the production process (Chan, 2000; Hartmann, 2016; Chaudhri, 2019).

Effect of product quality on competitive advantage

Product quality variable (X2) to competitive advantage (Y) directly, which shows the original sample value (path coefficient) 1.596, T-statistic

1165

13.443, and P-value 0.000, so that the effect of product Quality (X2) on competitive advantage (Y) (significance requirement for T-statistic > 1.96 and P value <0.05) has a positive correlation. Product quality influences competitive advantage in the Lins Gallery natural dyed sasirangan fabric because the quality of the products offered by Lins Gallery is guaranteed. This statement is supported by the index value of the product quality variable of 3.48, which means that all respondents agree that the product quality variable has an influence on competitive advantage. Respondents said that the products sold by Lins Gallery are always upside down, so they can last a long time in use, provide maximum performance, and meet consumer expectations (Peattie, 2003).

5. Conclusion

Green marketing has a positive and significant effect on competitive advantage in Lins Gallery's natural dye sasirangan fabric products in Banjarmasin. Product quality has a positive and significant effect on competitive advantage in Lins Gallery natural dye sasirangan fabric products in Banjarmasin.

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