

THE INFLUENCE OF GREEN MARKETING AND DIGITAL MARKETING ON THE COMPETITIVENESS OF MSME TEMPEH CHIPS IN MALANG CITY WITH BRAND IMAGE AS A MEDIATING VARIABLE

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Abstract:

This research aims to analyze the effect of green and digital marketing on the competitiveness of MSMEs mediated by brand image. The object of this research is MSME players in the tempeh chips sector in Malang City, with data collected from 150 respondents. This research uses a quantitative approach. Sample measurement in this study used a saturated sampling technique with the SmartPLS 4.0 analysis tool. The results showed that green marketing positively and significantly affects brand image. Digital marketing has a positive and significant effect on brand image. Brand image has also been proven to have a positive and significant effect on the competitiveness of MSMEs. Green marketing mediated by brand image has a positive effect on competitiveness. Digital marketing mediated by brand image has a positive effect on competitiveness. Researchers recommend tempeh chips MSMEs in Malang City optimize digital communication tools, strengthen branding strategies, set prices according to product-added value, and implement environmentally friendly practices. Future research should consider other variables that affect MSME competitiveness and adopt a multi-method approach for more comprehensive insights.

Keywords: Green Marketing, Digital Marketing, Brand Image, Competitiveness, Tempeh Chips MSMEs

INTRODUCTION

Micro, small and medium enterprises (MSMEs) are a good forum for creating jobs that the government plans, the private sector and individual business actors. (Halim, 2020) The large number of MSMEs in Indonesia indicates that the MSME business is one of the sectors with very high competition. To thrive in the competitive MSME landscape in Indonesia, units must be highly competitive to survive in the business environment. Organizations, especially profit-oriented ones, will always strive to stay alive and be able to compete with other organizations/competitors. One approach that companies can apply to face various challenges and opportunities is an approach based on a resource-based view (RBV). Companies can build sustainable competitive advantage through the resource-based view (RBV) through heterogeneous resources. (Rahadian, 2017) The resource-based view promises and provides insight into the importance of internal resources in achieving sustainable competitive advantage.

Malang City is one of the major cities in East Java province. In order to increase the competitiveness index of MSMEs in East Java Province, Malang City is expected to take its place and boost its name both regionally and nationally. The development of micro-businesses is also one of the things highlighted by the Malang City Government. Several strategic steps have been taken to improve the growth and development of micro-businesses in Malang City. (Theosofi, 2020)



One of the MSMEs familiar to Malang residents is the tempeh chip industry. Sanan Tempe Chips Industrial Village is one of the many industrial centers whose activities related to the development of MSMEs can make a major contribution to accelerating the improvement of Malang City's economy. The increasing growth of MSMEs making and selling tempeh chips in Malang City has also impacted the high competition. However, some need help to continue their business in addition to the increase in new MSMEs. It is due to the inability of these MSMEs to compete and maintain their existence, and they often experience bankruptcy (Dinas Koperasi, Perindustrian, dan Perdagangan Kota Malang, 2020). (Cooperative, Industry and Trade Office of Malang City, 2020).

U MSMEs that can continue to grow amid intense competition are MSMEs that have competitiveness in the form of competitive advantages in this era of globalization. Developing sustainable business models is an important key to the success and sustainability of micro, small and medium enterprises (MSMEs) in the modern sustainable era. MSMEs with sustainable business models have a special appeal to consumers oriented towards sustainable values. Companies will apply environmental issues in their marketing activities, giving rise to a new phenomenon in the marketing world through green marketing. (Zaky & Purnami, 2020) Chen and Chang (2013) added that green marketing is a concept that includes all marketing activities developed to stimulate and maintain environmentally friendly consumer behavior attitudes.

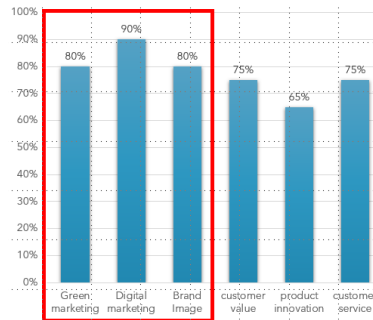
According to Rulliannor Putra (2022), the tempeh chips business in Malang City, especially the Sanan Tempe chips village, has implemented an environmentally friendly local home industry economic strategy in producing and processing tempeh. However, another problem is the culture of people needing to care about the environment, which usually occurs in MSME actors when they set up a business. For example, excessive use of plastic and improper disposal of production waste. Knowledge of green marketing strategies at the MSME scale is minimal, so educating is important. In practice, business actors still package their tempura chip products using plastic; if used continuously, it will have an adverse impact on the environment (Putra, 2022).

Meanwhile, according to data from the Ministry of Environment and Forestry's National Waste Management Information System (SIPSN), Indonesia will produce 35.93 million tons of waste by 2022. This data reflects the high level of waste production in Indonesia and underscores the importance of action to address this issue. This gap provides an opportunity for the tempeh chips industry to contribute to reducing plastic use in Indonesia, particularly in East Java. Another challenge is the increasingly fierce competition in the digital market. With more MSMEs moving into the digital realm, competition has become fiercer. MSMEs must develop creative and effective marketing strategies to differentiate themselves from competitors and attract consumers' attention amidst the diverse offerings of products and services online.

Using digital marketing in the business world is one of the most efficient ways of introducing products and other information, such as sales promotion. In practice, tempeh chips MSME players in Malang City have started implementing digital marketing. However, many still need to realize the importance of digital marketing in building their business. So, there is still room for further development. Some MSMEs may still need help understanding more detailed digital marketing strategies, more effective campaign management, and the use of data to improve targeting and personalization in online marketing.

The application of brand image in tempeh chips MSMEs in Malang City currently shows several obstacles that could be more optimal. Many businesses must consider brand image rather than product quality and price. Limited finance, labor, and time resources make it difficult for them to implement a more complex brand image strategy. Nevertheless, several tempeh chips MSMEs in Malang City have started to implement their brand image well.

Based on data and literature, including several previous research results, Penelliti carried out a pre-survey stage to strengthen the assumptions formed by giving questionnaires to 10 Tempe Chips MSME players in Malang City.



Source: Processed Primary Data, 2023

Figure 1. Recapitulation of Pre-survey Results

After conducting a pre-survey of 10 respondents, the results show that 3 variables influence the Competitiveness of tempeh chips MSMEs in Malang City, namely Green Marketing, Digital Marketing and Brand Image. Based on the summary of the pre-survey results, respondents consider green marketing very important for MSMEs because it can enhance the positive image of MSMEs in the eyes of consumers and increase consumer confidence. The respondents also consider digital marketing important for MSMEs because it can increase sales, reach a wider market, and build closer consumer relationships. In addition, respondents consider that a good brand image can increase consumer confidence and differentiate from competitors' products.

Resource Based View. The Resource-Based View (RBV) theory was first pioneered by Wernerfelt (1984). RBV theory views the company's resources and capabilities as important because they are the basis of its competitiveness and performance. The assumption of RBV theory is about how a company can compete with other companies by managing the resources owned by the company concerned, following the company's ability to achieve the company's competitive advantage. (Novia Herlianti et al., 2023)

According to (Kuncoro (2005), the Resources-Based View (RBV) is a theoretical concept born from research by economic experts around the world, where this theory is believed to provide answers to creating a competitive advantage for a company.

Green Marketing. Allen A. Ch. Manongko (2018) states that Green marketing is the concept of product marketing strategies by producers for the needs of consumers who care about the environment. According to (Widodo, 2016), green marketing is a marketing mix planning process that utilizes changing consumer awareness of products/services that are more environmentally friendly by changing products, manufacturing methods and packaging that are more environmentally friendly in order to satisfy and meet consumer needs and reduce negative impacts on the environment and also invite consumers to care more about the environment.

According to Rafianti (2018), there are 4 dimensions of Green Marketing:

- 1) Green Product. Green products can be interpreted as environmentally friendly products, where the product material can be recycled, can save energy, reduce the use of toxic substances, and can minimize pollution or waste.
- 2) Green Price. The price for Green products requires customers to incur more costs in order to obtain a high-quality and environmentally friendly product.

- 3) Green Place. A company's location will distinguish it from its competitors. The company can conduct attractive promotions and use recyclable materials to prioritize environmental sustainability.
- 4) Green Promotion. Companies can promote their products by advertising through communication media, public relations, sales promotion, or direct marketing. Green marketing will strengthen environmental credibility through sustainable marketing.

Digital Marketing. Digital marketing is a marketing activity that uses digital media using the internet that utilizes media in the form of web, social media, e-mail, database, mobile/wireless and digital TV to increase target consumers and to find out the profile, behavior, product value, and loyalty of customers or target consumers to achieve marketing goals. Digital marketing is marketing through digital media to offer brands owned by a company. (Dedi Purwana, 2017)

There are 5 Dimensions of Digital Marketing, including the following (Lucyantoro & Rachmansyah, 2017):

- 1) Content marketing is a way of reaching out to and retaining customers through content based on their interests.
- 2) Search Engine Marketing is finding product information through search engines or typing the word or product to be purchased.
- 3) Social Media Strategy is a way of marketing products through social media, such as blogs, Facebook, Twitter, and others.
- 4) Pull. This concept explains that consumers actively find information or others about the product they want to buy.
- 5) Push is a communication concept carried out by marketers to prospective customers via email, SMS, and other

Brand image. Brand image is consumers' perception and belief, as reflected in the associations that occur in consumer memory. A strong brand image can provide a major advantage for the company, one of which can create a competitive advantage (Kotler, 2012)

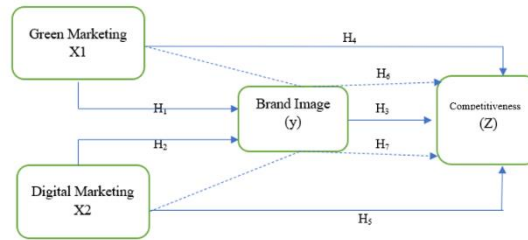
The variable dimensions in the brand image are as follows (B. Pujadi, 2010):

- 1) Professional image, where the impression of the brand is expertise and good quality.
- 2) Trendy impression, where the impression of the brand must be simple, unique and renewable so that consumers easily remember it.
- 3) Serving all units, where the impression of this brand can serve all units, not only specialized for certain units.
- 4) Attachment to consumers, where the impression of this brand pays attention to the wants and needs of consumers

Competitiveness. Competitiveness or competitive advantage (Competitive Advantage), according to Porter (1986), is the ability of a company to achieve economic benefits above the income that competitors can achieve in the market in the same industry. Companies with a competitive advantage can always understand the changing market structure and choose effective marketing strategies. Another opinion states that competitiveness is an effort that must be made by business / economic actors in order to continue to exist in carrying out their activities. (Sulistiyani, 2020)

Nurlita and Rizka (2013) measure the company's competitive advantage using indicators:

- a. Products are always superior in service compared to other products.
- b. Products that consumers always recommend to others.
- c. The company's ability to develop technology compared to its competitors



Source: Data processed by researchers (2023)

Figure 2. Research Framework

Hypothesis.

- H1: Green marketing has a positive and significant effect on brand image
- H2: Digital Marketing has a positive and significant effect on brand image
- H3: Brand Image has a positive and significant effect on competitiveness
- H4: Green Marketing has a positive and significant effect on competitiveness
- H5: Digital Marketing has a positive and significant effect on competitiveness
- H6: Green marketing has a positive and significant effect on competitiveness mediated by Brand Image
- H7: Digital Marketing has a positive and significant effect on competitiveness mediated by Brand Image

METHODS

This study uses a quantitative approach to analyze the effect of green and digital marketing on the competitiveness of MSMEs mediated by brand image. The object of this research is MSME players in the tempeh chips sector in Malang City (Widiyanti et al., 2024). Data were collected from 150 respondents using a saturated sampling technique. Data collection was carried out through a survey using Google Forms. Data analysis was carried out with the SmartPLS 4.0 analysis tool.

RESULT AND DISCUSSION

Characteristics of Respondents.

Table 1. Respondent Characteristic

| Characteristics | | Frequency (a) | Percentage (%) |
|-----------------|--------------------|------------------|-------------------|
| Gender | Man | 70 | 47% |
| | Woman | 80 | 53% |
| | Total | 150 | 100 |
| Age | 26-30 | 33 | 22% |
| | 31-35 | 39 | 26% |
| | 36-40 | 56 | 37% |
| | 41-45 | 18 | 12% |
| | •45 | 4 | 3% |
| Total | 150 | 100 | |
| Last education | Junior High School | 21 | 14% |
| | Senior High School | 89 | 59% |
| | Diploma III | 2 | 1% |



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| | | | |
|-------------------|---------------------|-----|-----|
| | Diploma IV/Bachelor | 38 | 25% |
| | Total | 150 | 100 |
| Position in MSMEs | Business Owner | 97 | 65% |
| | Staff | 53 | 35% |
| | Total | 150 | 100 |

Source: Research Data

Outer Model Evaluation.

1. Factor Loading

Table 2. Factor Loading

| Variable | Indicator Code | Outer Loadings | Remarks |
|------------------------|----------------|----------------|-------------|
| Green Marketing (X1) | GM1 | 0.870 | Passed Test |
| | GM2 | 0.893 | Passed Test |
| | GMS | 0.864 | Passed Test |
| | GM4 | 0.896 | Passed Test |
| | GMS | 0.900 | Passed Test |
| | GMS | 0.902 | Passed Test |
| | GM7 | 0.906 | Passed Test |
| | GM8 | 0.887 | Passed Test |
| | GM9 | 0.895 | Passed Test |
| Digital Marketing (X2) | DM1 | 0.905 | Passed Test |
| | DM10 | 0.878 | Passed Test |
| | DM11 | 0.864 | Passed Test |
| | DM2 | 0.876 | Passed Test |
| | DM3 | 0.861 | Passed Test |
| | DM4 | 0.889 | Passed Test |
| | DM5 | 0.848 | Passed Test |
| | DM6 | 0.883 | Passed Test |
| | DM" | 0.862 | Passed Test |
| Brand Image (Z) | DM8 | 0.854 | Passed Test |
| | DM9 | 0.862 | Passed Test |
| | BI1 | 0.781 | Passed Test |
| | BI2 | 0.902 | Passed Test |
| | BI3 | 0.828 | Passed Test |
| | BI4 | 0.787 | Passed Test |
| | BI5 | 0.844 | Passed Test |
| | BI6 | 0.804 | Passed Test |
| BI 7 | 0.815 | Passed Test | |
| Competitiveness (Y) | BI8 | 0.860 | Passed Test |
| | DS1 | 0.842 | Passed Test |
| | DS2 | 0.893 | Passed Test |
| | DS3 | 0.818 | Passed Test |
| | DS4 | 0.848 | Passed Test |
| | DS5 | 0.861 | Passed Test |
| | DS6 | 0.849 | Passed Test |
| | DS7 | 0.811 | Passed Test |
| | DSS | 0.815 | Passed Test |
| DS9 | 0.868 | Passed Test | |

Source: Research Data



Based on the results of the outer loadings above, all constructs or indicators produce a value > 0.7, so it can be concluded that all indicators pass the test and can be continued for further testing.

2. Reliability Test

Table 3. Results of Composite Reliability test

| Variable | Composite Reliability | Remarks |
|-------------------|-----------------------|----------|
| Green Marketing | 0.946 | Reliable |
| Digital Marketing | 0.972 | Reliable |
| Brand Image | 0.957 | Reliable |
| Competitiveness | 0.972 | Reliable |

Source: Research Data

Table 4. Results of Cronbach's Alpha test

| Variable | Composite Reliability | Remarks |
|-------------------|-----------------------|----------|
| Green Marketing | 0.935 | Reliable |
| Digital Marketing | 0.968 | Reliable |
| Brand Image | 0.950 | Reliable |
| Competitiveness | 0.967 | Reliable |

Source: Research Data

Based on the table above, the Cronbach's Alpha value of all research variables is > 0.6. These results indicate that each variable met Cronbach's Alpha, so it can be concluded that all variables have a high level of reliability. From the model above, it can be concluded that the model has met the criteria for Composite Reliability and Cronbach's Alpha. The research model has met the Reliability criteria and is a reliable measuring instrument (Adhika et al., 2023).

3. Validity Test

a. Convergent Validity. Convergent Validity can also be seen through the average variance extracted (AVE) value. AVE is the grand mean value of the squared loadings of indicators associated with a construct. The minimum acceptable AVE is 0.50. An AVE of 0.50 or higher indicates that the construct explains 50 percent or more of the variation in the indicators that make up the construct. (Hair et al., 2021).

Table 5. Results of AVE results

| Variable | AVE | Remarks |
|-------------------|-------|-------------|
| Green Marketing | 0.686 | Passed Test |
| Digital Marketing | 0.759 | Passed Test |
| Brand Image | 0.715 | Passed Test |
| Competitiveness | 0.793 | Passed Test |

Source: Research Data

Based on the table above, the AVE values for Green Marketing are > 0.5, Digital Marketing > 0.5, Brand Image > 0.5, and MSME Competitiveness > 0.5, so it can be concluded that all of these variable results pass the test.

b. Discriminant Validity Test. Discriminant Validity is conducted to assess the extent to which a construct in the structural model is empirically different from other constructs. (Hair et al., 2021).



Table 6. Results of the Fornell-Lacker criterion

| Variable | Brand Image | Digital Marketing | Competitiveness | Green Marketing |
|-------------------|-------------|-------------------|-----------------|-----------------|
| Brand Image | 0.829 | | | |
| Digital Marketing | 0.577 | 0.871 | | |
| Competitiveness | 0.730 | 0.657 | 0.845 | |
| Green Marketing | 0.527 | 0.351 | 0.558 | 0.890 |

Source: Research Data

Based on the table above, it is found that the square root of the AVE value of each construct must be higher than the correlation value between constructs in a model. The table above displays the Fornell Larcker criteria, which shows that the square root value of the AVE is higher than the correlation value between latent variables, so there is no discriminant validity problem in the model being tested.

Table 7. Results of HTMT

| Variable | Brand Image | Digital Marketing | Competitiveness | Green Marketing |
|-------------------|-------------|-------------------|-----------------|-----------------|
| Brand Image | | | | |
| Digital Marketing | 0.603 | | | |
| Competitiveness | 0.770 | 0.682 | | |
| Green Marketing | 0.542 | 0.359 | 0.579 | |

Source: Research Data

The table above shows that each variable's measurement value is below 0.90. These results conclude that there is no discriminant validity problem.

Inner Model.

1. R-Square (R2). R-square (R2) is the predictive power in a model. The R2 value is between 0 and 1. The higher value (closer to 1) indicates greater power. R-square values of 0.75, 0.50 and 0.25 can be considered strong, moderate and weak, respectively. (Hair et al., 2021)

Table 8. Results of R-Square

| Variable | R-Square | R-Squares Adjusted |
|-----------------|----------|--------------------|
| Brand Image | 0.453 | Passed Test |
| Competitiveness | 0.793 | Passed Test |

Based on the table above, the R-square for the MSME Competitiveness variable is 0.65, which means that the independent variables in this study affect 65% of MSME Competitiveness, categorized as moderate predictive power. In comparison, the remaining 35% is explained by other variables not studied. In addition, the brand image variable is influenced by 45.3% by green marketing and digital marketing, with the remaining 54.7% explained by other variables outside this study and categorized as weak predictive power. Uji Effect Size (f2)

Effect size is classified into small, medium and large categories. Values above 0.02 - 0.15 are categorized as small, 0.15 - 0.35 are categorized as medium and values above 0.35 and above have a large effect. (Hair et al., 2022).



Table 9. Results of f-square

| Variable | Brand Image | Competitiveness |
|-------------------|-------------|-----------------|
| Digital Marketing | 0.321 | 0.217 |
| Green Marketing | 0.219 | 0.097 |
| Brand Image | | 0.277 |

Source: Research Data

The table above shows that Green Marketing (X1) has a moderate influence on Brand Image (Z) with an effect size of 0.219 and a small influence on MSME Competitiveness (Y) with an effect size of 0.097. Digital Marketing (X2) has a moderate effect on Brand Image (Z) with an effect size of 0.321, as well as a moderate effect on Competitiveness (Y) with an effect size of 0.217. In contrast, Brand Image (Z) has a moderate effect on MSME Competitiveness (Y) with an effect size of 0.277.

2. Q-square (Q2). The Q-Square (Q2) test is also used to assess the predictions generated by blindfolding in SEM-PLS. If the Q2 value > 0, it has relevant prediction results, whereas if the Q2 value < 0, the prediction value is less. If the Q2 value is > 0.25, the predictive value is moderate, and if the Q2 value is > 0.50, the model's predictive value is large. (Hair et al., 2022:202).

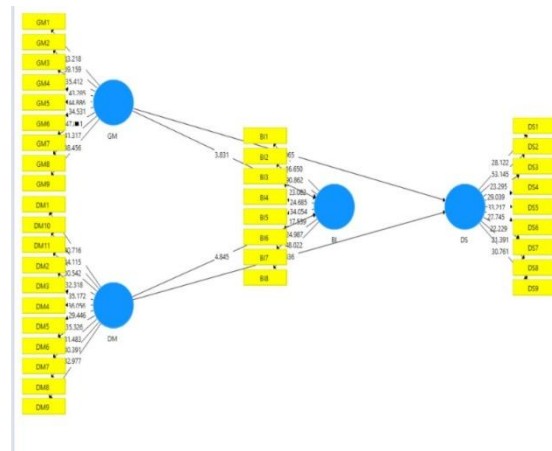
Table 10. Results Of Q-square

| Variable | SSO | SSE | Q ² (=1.SSE/SSO) |
|-------------------|----------|----------|-----------------------------|
| Green Marketing | 1350,000 | 1350,000 | |
| Digital Marketing | 1650,000 | 1650,000 | |
| Brand Image | 1200,000 | 838,675 | 0,301 |
| Competitiveness | 1350,000 | 832,713 | 0,383 |

Source: Research Data

The Q-square (Q2) measurement results in the table above show that the value of Q2 > 0 indicates relevant predictive ability. The Q2 value for Brand Image and Competitiveness is between 0.25 and 0.50, which indicates moderate predictive ability.

Hypothesis test. The hypothesis in this study can be known from calculating the model using the SmartPLS 4.0 Bootstrapping technique. This test aims to minimize the problem of abnormal research data. The significance level is 5%, so the significant or confidence level is 0.005 to reject a hypothesis (Ghozali & Latan, 2020). The following are the results of hypothesis testing.



Source: Research Data
Figure 3. Path Analysis

Table 11. Path Analysis

| Variable | Original Sample (O) | Standard Deviation (STDEV) | T Statistics (O/STD EV) | P Values | Results | Mediation |
|--|---------------------|----------------------------|-------------------------|----------|----------|-------------------|
| H1 Green Marketing - Brand Image | 0.370 | 0.096 | 3.865 | 0.000 | Accepted | |
| H2 Digital Marketing - Brand Image | 0.448 | 0.095 | 4.706 | 0.000 | Accepted | |
| H3 Brand Image - Competitiveness | 0.421 | 0.145 | 2.905 | 0.004 | Accepted | |
| H4 Green Marketing - Competitiveness | 0.217 | 0.080 | 2.728 | 0.007 | Accepted | |
| H5 Digital Marketing - Competitiveness | 0.338 | 0.130 | 2.593 | 0.010 | Accepted | |
| H6 Green Marketing - Brand Image - Competitiveness | 0.155 | 0.074 | 2.109 | 0.035 | Accepted | Partial Mediation |
| H7 Digital Marketing - Brand Image - Competitiveness | 0.188 | 0.092 | 2.055 | 0.040 | Accepted | Partial Mediation |

Source: Research Data

H1: The results of the research hypothesis test showed that the initial sample value is 0.370, T-statistic 3.865, and P-value 0.000. These results show that Green marketing has a positive and significant effect on Brand Image can be accepted. The hypothesis results are in line with Silaban et al. (2021), Desanto et al. (2018), and Izzatul et al. (2017), which say that Green marketing has a positive and significant effect on Brand Image.

When tempeh chips MSMEs in Malang City implement marketing practices that focus on sustainability and the environment (green marketing), they can form a positive brand image and increase awareness of companies that care about the environment. Therefore, it is recommended



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that MSMEs more intensively implement green marketing practices as the main marketing strategy, increasing consumer awareness and education about the benefits of environmentally friendly products through effective campaigns and communication.

H2: The results of the research hypothesis test showed that the initial sample value is 0.448, T-statistic 4.706, and P-Value 0.000. These results show that Digital Marketing has a positive and significant effect on Brand Image, which can be accepted. This hypothesis's results align with Wibowo (2022), SF. Widyana and RB. Salsabila (2020), Herawati et al. (2022), and Fitrianna and Aurinawati (2020) state that digital marketing has a significant positive effect on brand image.

When tempeh chips MSMEs in Malang City implement digital marketing practices, this will increase awareness and create a positive brand image. Digital marketing allows MSMEs to reach a wider audience, interact directly with consumers, and utilize various digital platforms for effective promotion. Therefore, MSMEs are advised to optimize digital marketing strategies by utilizing informative, interesting content using technologies such as SEO (Search Engine Optimization) and paid advertising on search engines. It can also help increase visibility and competitiveness.

H3: The results of the research hypothesis test show that the initial sample value is 0.421, T-statistic 2.905, and P-value 0.004. These results show that Brand Image has a positive and significant effect on Competitiveness and can be accepted. The hypothesis results are in line with Wong, T. V., Sijabat, R. (2022), Jannah et al. (2018), and Laudin (2017), which state that brand image has a positive and significant effect on competitive advantage or competitiveness.

It can be interpreted as meaning that if an MSME has a brand image, consumers will easily recognize its products, either because of the brand or its advantages, so that the products offered are one step more likely to be purchased by consumers. Therefore, MSMEs are expected to optimize their brand image, including improving product quality, consistency in branding and conveying unique values and product advantages to consumers.

H4: The results of the research hypothesis test show that the initial sample value is 0.217, T-statistic 2.728, and P-value 0.007. These results indicate that Green Marketing has a positive and significant effect on Competitiveness, which can be accepted. The results of this hypothesis align with Erni et al. (2022), who state that Green Marketing positively influences competitiveness simultaneously and partially.

It can be interpreted as meaning that when tempeh chip MSMEs in Malang City implement marketing practices that focus on sustainability and the environment (green marketing), they can create a positive image in the eyes of consumers who are increasingly concerned about environmental issues and differentiate MSME products from competitors who may not have adopted similar practices. Therefore, MSMEs must prioritize using environmentally friendly raw materials, reducing plastic waste, and communicating their commitment to sustainability to consumers so that tempeh chip MSMEs can build higher customer trust and loyalty.

H5: The results of the research hypothesis test show that the initial sample value is 0.338, T-statistic 2.593, and P-value 0.010. These results show that digital marketing positively and significantly affects competitiveness and can be accepted. The results of this hypothesis are in line with Noor (2022), Padli (2020), and Muniroh and Eldine (2021), which state that digital marketing has a positive effect on competitive advantage.

It implies that digital technology, social media platforms, and online communication tools are valuable resources for MSMEs. By optimizing these resources, MSMEs can improve marketing efficiency, reach a wider market, and strengthen customer relationships, increasing their competitiveness. Therefore, MSMEs must effectively manage and utilize digital marketing resources to continue improving their competitiveness.



H6: The results of the research hypothesis test show that the initial sample value is 0.155, T-statistic 2.109, and P-value 0.035. These results indicate that Green Marketing mediated by Brand Image has a positive and significant effect on Competitiveness and can be accepted. This hypothesis's results align with Firman's (2023) statement that Green Marketing affects MSME Competitiveness through Brand Image.

Implementing effective green marketing not only strengthens the brand image that cares about the environment in the eyes of consumers but also directly increases competitiveness by attracting consumers who care about sustainability issues. Therefore, MSMEs need to improve the combination of these two effects, indicating that the green marketing strategy implemented by Tempeh Chips MSMEs in Malang City can create a stronger competitive advantage in the market, both through improving brand image and through the direct influence of environmentally friendly marketing practices.

H7: The results of the research hypothesis test show that the initial sample value is 0.188, T-statistic 2.055, and P-value 0.040. These results indicate that Digital Marketing mediated by Brand Image has a positive and significant effect on Competitiveness and can be accepted. This hypothesis aligns with Nurudin (2021), who states that digital marketing positively affects competitive advantage when mediated by brand image.

An effective digital marketing strategy, supported by good digital resource management, can strengthen brand image and increase MSMEs' overall competitiveness. Therefore, MSMEs must continue developing informative, interesting and relevant content on digital platforms and actively interact with consumers to build more personalized relationships. Optimizing these resources allows MSMEs to increase their brand visibility and reputation.

CONCLUSION

In conclusion, the results of this study can be said that:

- 1) Green marketing has a positive and significant influence on brand image. When tempeh chips MSMEs in Malang City carry out marketing practices that focus on sustainability and the environment, such as using environmentally friendly raw materials as the main raw material, the tempeh used has ensured good quality and freshness. MSMEs have strategic production locations close to sources of raw materials or markets. Promotions emphasizing sustainability will form a positive brand image and increase the awareness or brand image of MSMEs caring about the environment.
- 2) Digital marketing has a positive and significant influence on brand image. Through digital marketing carried out by tempeh chips MSMEs in Malang City, such as the use of social media, interesting content, and search engine optimization, MSMEs can reach a wider range of consumers, increase their brand visibility and reputation, and strengthen the brand image of tempeh chips MSMEs in Malang City.
- 3) Brand Image has a positive and significant influence on competitiveness. When consumers perceive the brand well, they are more likely to choose that product over competitors' products. The better the brand image built by MSMEs, the better they can communicate their products' unique values and advantages, which ultimately helps Tempeh chips MSMEs in Malang City stand out in a competitive market.
- 4) Green marketing has a positive and significant influence on competitiveness. When MSMEs implement marketing focusing on sustainability and the environment, they can attract the attention of consumers who care about environmental issues, increase customer loyalty, and build a positive reputation to help tempeh chip MSMEs in Malang City stand out in a

competitive market. Therefore, implementing positive green marketing can strengthen the position of MSMEs in the market and increase overall competitiveness.

- 5) Digital marketing has a positive and significant influence on competitiveness. When MSMEs implement digital marketing, they can reach consumers more widely and efficiently, improving their understanding of market needs. Thus, the positive effect shows that the digital marketing strategy implemented by Tempeh Chips MSMEs in Malang City can increase and strengthen their competitive position in the market.
- 6) Green marketing mediated by brand image positively and significantly influences competitiveness. Good green marketing implementation, supported by effective resource management such as environmentally friendly raw materials, efficient waste treatment, and promotional strategies emphasizing sustainability, are important assets that can be optimized. It can strengthen brand image and increase the competitiveness of tempeh chips MSMEs in Malang City overall.
- 7) Digital marketing mediated by brand image positively and significantly influences competitiveness. Digital technology, social media platforms, and online communication tools owned and managed by MSMEs are valuable resources. Optimizing these resources allows MSMEs to increase their brand visibility and reputation. It means that the application of digital marketing by MSMEs will improve a good brand image and increase the competitiveness of tempeh chips MSMEs in Malang City.

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