Green Practices Implementation as Prerequisite to Sustain Firm Competitive Advantages: The Empirical Study from Indonesia Large Scale Enterprises (LSEs)

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ABSTRACT

Encompassing firms to apply green policy in a holistic management practices are strongly required in order to maintain competitive advantages and experience long-term marketing performance. This current empirical research is aimed to fill the lack of empirical findings and empirical studies on firm’s innovative concept. Green-based product innovation, green management practices and green corporate image are presented as the antecedents and postulated as the sources of sustaining firm competitive advantages. A questionnaire-based survey was deployed to collect data from Large Scale Enterprises in Indonesia with Top Management, Operational and Marketing Managers served as respondents. 500 questionnaires were mailed and 388 were valid for further analysis. Data was analyzed by using Confirmatory Factor Analysis (CFA) and Structural Equation Modeling (SEM) via AMOS statistical software. Statistical findings demonstrated that green-based product innovation, green management practices and green corporate image significantly has a positive affect to sustain firm competitive advantages which is led to enhance long term marketing performance. However, green-based product innovation plays insignificant direct relationship on long term marketing performance. This study discusses some managerial implications for enterprises and recommendations on a basis of green implementation.

Keywords: Green-Based Product Innovation, Green-Corporate Image, Green-Management Practices, Long Term Marketing Performance, Sustained Competitive Advantages

1. INTRODUCTION

Many research had been conducted regarding on green concept to find out the green operation of firms world-wide. The topic and the strategy applied were varies such as studies which assessed the greenness of environmental advertising conducted by Leonidou, Leonidou, Hadjimarcou, and Lytovchenko (2014); the finding claimed that the green advertisements played a significant

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role such as situation points, the profile of advertiser, targeting features, message factors and the nature. Other research showed the effects of consumers on environmental impact in product labelling (Borin, Cerf, and Krishnan, 2011), meanwhile the Consumer responses to Eco-labelling showed by Thøgersen, Haugaard, and Olesen (2010). Moreover, customer social responsibility attached to product, also trigger the green firm performance as shown by the strong impact of CSR-labelled products in retailers’ assortment (Carrero and Valor, 2012); sustainability labels in the consumer perception (Binnekamp and Ingenbleek, 2008); Effect of green labelling on residential property price (Jayantha and Man, 2013); Exploring green consumers’ product demands and consumption processes (Luzio and Lemke, 2013); Green care governance (Vik and Farstad, 2009); Label design (Henley, Fowler, Yuan, Stout, and Goh, 2011); competitive advantage has a strong relationship with CSR to increase higher and profitable corporate image (Bansal and Kumar, 2011), competitive advantage has a strong relationship with CSR to increase higher and profitable corporate image (Pop, Vaduva, Dabija, and Fotea, 2010), sustainable development as a set of transformation that align human relationship with nature (McLane, 2015), customers attitude on online grocery shopping It stated that the green image of firm will sustain customers trust (Al Nawayseh and Balachandran, 2012), holistic sustainability of tourism attractions (Ottenbacher, Schwebler, Metzler, and Harrington, 2015), green new deal to seek for knowledge, Sustainability, and green development (Barth, 2011).

The green side of materialism in emerging BRIC and developed markets (Strizhakova and Coulter, 2013); The effect of green messages on brand purchase and brand rejection (Wheeler, Sharp, and Nenycz-Thiel, 2013); The influence of private labels on retailer cooperation (Zippel, Wilkinson, and Vogler, 2013); The nature and incidence of private label rejection (Nenycz-Thiel and Romaniuk, 2012); Understanding efficiencies behind logistics service providers’ green offerings (Isaksson and Hultin, 2013).

Besides focusing on green product labelling, the most recently trending topic in green is green environmental. green management and environmental (Teixeira, Jabbour, and Jabbour, 2012); From shadow to green (Markandya, Gonzalez-Eguino, and Escapa, 2013); environmental technology sector green (Guziana, 2011); Green teams: understanding their roles in the environmental management (Jabbour, Santos, Fonseca, and Nagano, 2013); environmental management capability (Wong, Lai, Shang, Lu, and Leung, 2012); Environmental innovations and profitability (Ghisetti and Rennings, 2014); environmental innovation embedded within high-performance (Antonioli, Mancinelli, and Mazzanti, 2013); effects of environmental policies (Saltari and Travaglini, 2011); How green is Environmental gardening identity (Kiesling and Manning, 2010); green and profitable sustainable (Figge and Hahn, 2012); Embedding “substrate” in environmental assessment of green (Peri, Traverso, Finkbeiner, and Rizzo, 2012); Going green or going away (Zhu, He, and Liu, 2014).

Studies which propose standards to apply green business strategies such as (Nulkar, 2014); how firm should have environmental consciousness and green (Huang, Lin, Lai, and Lin, 2014); available information on environmental issues (Mitomo and Otsuka, 2012); green product innovation on firm performance (Ar, 2012); Does international experience help firms to be green (Aguilera-Caracuel, Hurtado-Torres, and Arago’ n-Correa, 2012); Urban green space, public health, and environmental justice (Wolch, Byrne, and Newell, 2014); Influence of green spaces on environmental (Qin, Zhou, Sun, Leng, and Lian, 2013); Environmental performance (Rincón et al., 2014); pro-environmental self-identity (Whitmarsh and O’Neill, 2010); How green are environmental technologies (Papa, Pedrazzani, and Bertanza, 2013); business environment on environmental purchasing (Björklund, 2011); Pro-environmental behaviours (Kalamas, Cleveland, and Laroche, 2014).
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