

The Effect of Green Marketing, Sustainable Market Research, and Consumer Engagement on Brand Loyalty and Consumer Legitimacy in MSMEs in Indonesia

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ABSTRACT

The purpose of this study is to examine how consumer involvement, sustainable market research, and green marketing strategies affect brand loyalty and customer legitimacy in Micro, Small, and Medium-sized Enterprises (MSMEs) in Indonesia. Structural Equation Modelling (SEM) with Partial Least Squares (PLS-SEM) as the analysis approach was used in a quantitative analysis including 238 MSMEs from various industries and geographies. The study's sustainable practices have a strong positive correlation with both customer legitimacy and brand loyalty, according to the findings. The results underline the significance of sustainability in building legitimacy and loyalty among consumers as well as the mediating function that these practices have in influencing consumer views. Actionable insights for MSMEs, policymakers, and researchers are provided by the discussion of the practical and policy implications.

Keywords: Green Marketing, Sustainable Business Practices, MSMEs, Brand Loyalty, Consumer Legitimacy

INTRODUCTION

A global paradigm shift towards sustainable business practices has occurred in the 21st century, driven by growing consumer awareness and environmental concerns. To solve environmental issues and promote ethical behavior, sustainable marketing and consumption methods have become essential (Bibin, 2023; Ozuem & Ranfagni, 2023; Santos-Corrada et al., n.d.; Swaroop & Gade, 2023). Through their decisions and actions, customers can significantly lessen the environmental impact of corporate operations; nevertheless, understanding and sustainable behavior must be brought into alignment (Gallo et al., 2023). Although consumers are becoming more conscious of the concerns surrounding sustainability and the circular economy, very few of them are acting sustainably. Nevertheless, studies have indicated that some consumer subgroups—particularly those with a focus on sustainability and the environment—are more inclined to make sustainable purchases. The adoption of sustainable business practices and consumer behavior has profound consequences for scientific research, policy, and management.

Micro, Small, and Medium-Sized Enterprises (MSMEs) are a vital component of the Indonesian economy, making a substantial contribution to both innovation and economic growth (Atichasari & Marfu, 2023; Jalunggono et al., 2022; Marwanto et al., 2023; Wahyuda et al., 2023). The nation's entrepreneurial spirit and cultural variety are reflected in Indonesia's MSME sector (Abidin et al., 2023). MSMEs in Indonesia have demonstrated growth and promise despite obstacles such poor company management, a fear of taking chances, a lack of mentoring, and a lack of support from pertinent organisations. It has been demonstrated that favourable tax laws have a favourable impact on MSMEs' investment decisions and business expansion, underscoring the need of creating tax laws that offer incentives for both investment and expansion. Furthermore, it has been determined that networking and workplace culture have a favourable influence on the performance and reputation of MSME

businesses. All things considered, good economic results in Indonesia depend on supporting sustainable growth and development in the MSME sector.

For MSMEs to succeed in this sustainability-focused era, the convergence of green marketing, sustainable market research, and customer involvement has become essential. The promotion of environmentally friendly goods and practices, including as the use of eco-friendly materials, production techniques, packaging, pricing, distribution routes, and promotional strategies, is known as green marketing (Pacevičiūtė & Razbadauskaitė-Venskė, 2023). Sustainable market research is crucial for ensuring that decisions are in line with environmental objectives. It also helps firms understand customer preferences and sustainability-related market trends (S. Chauhan & Naznin, 2023). In order to create a dynamic interaction between businesses and environmentally conscious consumers, consumer participation is essential. This can be accomplished through fortifying market position, building a strong brand identity, and fostering greater brand loyalty among customers who care about the environment (Mammadova et al., 2023; Panggabean et al., 2023). Businesses can satisfy consumer demand for eco-friendly products, improve their brand image and reputation, and support sustainable development goals by implementing green marketing methods (Muçi & Driza, 2022). To negotiate the constantly changing market dynamics and build enduring relationships with their customer base, MSMEs in Indonesia must comprehend how these factors interact.

Although the value of sustainability in business has long been acknowledged, little is known about the precise effects of green marketing, sustainable market research, and consumer involvement on customer legitimacy and brand loyalty in the particular setting of Indonesian MSMEs. To enable MSMEs to adopt successful sustainable strategies, boost their competitiveness, and support larger societal objectives in environmental stewardship, this research vacuum must be filled.

The purpose of this study is to determine the following: (1) How common and what kind of green marketing, sustainable market research, and consumer interaction strategies are among Indonesian MSMEs. (2) To investigate how, in the MSME sector, green marketing techniques affect consumer legitimacy and brand loyalty. (3) To look into how MSMEs' brand loyalty and consumer perceptions are shaped by sustainable market research. (4) To examine how consumer engagement programs affect the development of customer legitimacy and brand loyalty in the context of sustainable business practices in MSMEs in Indonesia.

Literature Review

1. Green Marketing

Businesses can now strategically integrate their processes and product lines with environmental sustainability by using green marketing (Pacevičiūtė & Razbadauskaitė-Venskė, 2023). By utilizing sustainable resources and eco-friendly production techniques, it entails creating and marketing goods and services that have the least negative environmental impact possible (S. Chauhan & Naznin, 2023). Prior studies have demonstrated the beneficial effects of green marketing on consumer attitudes, encouraging brand loyalty and providing businesses that use environmentally friendly techniques with a sense of legitimacy (Panggabean et al., 2023). Notwithstanding, obstacles such as greenwashing emphasize the necessity for a more comprehensive comprehension of the efficacy of green marketing, especially concerning MSMEs (Panggabean et al., 2023).

2. Sustainable Market Research

For firms that are dedicated to environmental responsibility, doing sustainable market research is crucial because it facilitates the identification of consumer segments that are environmentally sensitive and helps businesses tailor their products and marketing tactics to these preferences (Anuradha et al., 2023; Sono, 2023). With an emphasis on sustainability, this strategy entails gathering information on customer preferences, market trends, and industry dynamics (Greenland et al., 2023). Businesses can create focused marketing plans that reflect these ideals by knowing consumer attitudes and behaviour around sustainability (SARGIN & Dursun, 2023). In order to adapt and develop in response to shifting consumer needs, businesses may also benefit from ongoing market research by staying up to date on new trends and possibilities (SARGIN & Dursun, 2023). All things considered, environmentally conscious consumers' demands and corporate environmental responsibilities can be met by means of sustainable market research. The application of sustainable market research within MSMEs, especially in developing countries such as Indonesia, is still an area that requires further exploration.

3. Consumer Engagement

In the context of sustainability, consumer engagement includes things like interacting on social media, taking part in sustainability projects, and offering feedback on eco-friendly goods and methods. This interaction between customers and brands creates a sense of relatedness that affects the validity and loyalty of the brand (Alam et al., 2023; Gong et al., 2023; Jia et al., 2023; Khan & Fatma, 2023). Studies have indicated that customers' views of sustainability are crucial in capturing their interest and impacting their reactions, such as trust and loyalty. By improving consumer knowledge and education, we can empower customers to make more sustainable purchase decisions and contribute to the circular economy. Additionally, the relationship between sustainability marketing and responsible, sustainable consumer behavior is mediated by brand image and corporate social responsibility initiatives. Moreover, consumer participation in pro-environmental initiatives on social media is influenced by advertising appeal, cynicism, and inclination for online contact, which may result in pro-environmental consumption behavior. To understand the variables that impact long-lasting partnerships between companies and customers, particular emphasis should be paid to the function of consumer interaction in Indonesian MSMEs, where cultural quirks and economic considerations are major concerns.

4. Brand Loyalty and Consumer Legitimacy

In marketing, brand loyalty is crucial, particularly in the fast-moving consumer goods (FMCG) sector where customers have many options and fierce competition (J. S. Chauhan, 2023). Recurring purchasing behavior is influenced by several factors, including price, product quality, promotional activities, and brand reputation. These factors have a substantial impact on brand loyalty (Ayuna & Prabowo, 2023). Furthermore, it has been observed that there exists a relationship between brand loyalty and recurrent purchase behavior that is mediated by customer pleasure and trust (Khandai et al., 2023). Customers frequently grow devoted to brands that exhibit a commitment to environmental responsibility in the context of sustainability (Yulinda & Iskandar, 2023). Long-term success depends on consumer legitimacy, which is the idea that a company is genuine and reliable in its sustainability initiatives (Dewi & Dermawan, 2022). The performance of MSMEs is significantly shaped by these

aspects of consumer behavior, particularly in economies like Indonesia where consumer trust is crucial.

5. Conceptual Framework

A conceptual framework based on the evaluated literature will be established to direct the empirical inquiry. With a focus on MSMEs doing business in Indonesia, this framework will outline the connections between green marketing, sustainable market research, consumer engagement, brand loyalty, and consumer legitimacy. This conceptual framework will act as a guide for the empirical investigation, offering an organized method for identifying the intricate dynamics at work.

Based on the literature above, the following hypothesis is proposed:

H1: There is a positive relationship between green marketing practices and brand loyalty in Indonesian MSMEs.

H2: Sustainable market research strategies positively influence brand loyalty in Indonesian MSMEs.

H3: Consumer engagement initiatives positively impact brand loyalty in Indonesian MSMEs.

H4: Green marketing practices positively contribute to consumer legitimacy in Indonesian MSMEs.

H5: Sustainable market research strategies positively influence consumer legitimacy in Indonesian MSMEs.

H6: Consumer engagement initiatives have a positive effect on consumer legitimacy in Indonesian MSMEs.

METHOD

1. Research Design

This study examines the effects of consumer involvement, sustainable market research, and green marketing on brand loyalty and customer legitimacy in MSMEs in Indonesia using a quantitative research design. Because of the cross-sectional research design, data can be gathered all at once. This strategy makes it possible to acquire a quick overview of the targeted MSMEs' sustainable activities and customer attitudes. The Micro, Small, and Medium-Sized Enterprises (MSMEs) operating in several sectors throughout Indonesia were the study's target population. The technique of stratified random sampling was employed to guarantee participation from diverse industries and geographical regions. The authors maintained data reliability by distributing 250 questionnaires, of which 12 were incomplete. This resulted in 238 MSMEs, which strikes a balance between statistical reliability and practical feasibility. The minimum sample size was set at 140, based on Hair's suggestion that 2019 in SEM-PLS should compare 5 to 10 of the total indicators. In this study, 14 indicators are seen in Model Reliability in the results chapter and compared to 10.

2. Data Collection

Structured questionnaires were used to gather primary data from the chosen MSMEs. Information on green marketing techniques, sustainable market research methods, consumer engagement programmes, brand loyalty metrics, and perceived consumer legitimacy were all intended to be gathered through the questionnaire. To increase sample diversity and reach, a combination of online and offline approaches were used to conduct the poll.

3. Variables and Measurements

Each variable in this study is measured on a one to five point Likert scale, further indicators used are as follows:

- Green Marketing Practices (GMP): Three indications are used: packaging that is friendly to the environment, raw material sourcing that is sustainable, and environmental certification.
- Sustainable Market Research Strategies (SMRS): Three indicators are used: environmentally friendly packaging, sustainable raw material procurement, and environmental certification.
- Consumer Engagement Initiatives (CEI): measured using three metrics: involvement in green initiatives, customer feedback initiatives, and social media campaigns.
- Brand Loyalty (BL): utilising three indicators Recurring purchases, a positive brand attitude, and recommendations.
- Consumer Legitimacy (CL): with two measures of the authenticity of sustainable efforts and the trustworthiness of sustainability claims.

6. Data Analysis

Partial Least Squares (PLS) route modeling along with structural equation modelling (SEM) will be used to examine the relationship between independent and dependent variables. SEM-PLS is extremely relevant to our study because it works well with complex models and tiny to medium-sized sample sizes. Specialized software, like SmartPLS 4, is used for analyses, enabling a thorough review of the suggested conceptual framework. The evaluation of the direct and indirect effects of consumer involvement, sustainable market research, and green marketing on brand loyalty and consumer legitimacy was made possible by SEM-PLS. This approach makes it easier to assess the measurement model and structural model at the same time, giving rise to a thorough comprehension of the interrelationships between the variables.

RESULTS AND DISCUSSION

1. Overview of Sample Characteristics

238 Micro, Small, and Medium-Sized Enterprises (MSMEs) from different Indonesian regions and industries make up the sample. The companies cover a wide range of Indonesia's MSME landscape, including those in the manufacturing, services, and retail sectors.

Table 1. Demographic Sample

Demographic Characteristic	Category	Frequency	Percentage (%)
Industry Sector	Manufacturing	80	33.6
	Services	100	42.0
	Retail	58	24.4
Geographic Region	Java	120	50.4
	Sumatra	50	21.0
	Sulawesi	38	16.0
	Kalimantan	30	12.6
Years in Operation	1-5 years	65	27.4
	6-10 years	80	33.6
	11-15 years	45	18.9
	16+ years	48	20.2
Total		238	100.0

The manufacturing, services, and retail sectors account for 33.6%, 42.0%, and 24.4% of the MSME types covered by the study. With 80 industrial companies, 100 service companies, and 58 retail companies, the variety of industry sectors involved guarantees a thorough investigation of sustainable methods. Geographically, Java leads with 50.4% and 120 MSMEs; other significant regional variety is added by Sumatra, Sulawesi, and Kalimantan, which provide 21.0%, 16.0%, and 12.6%, respectively. Diverse insights on sustainability practices at various phases of the business cycle are offered by the variable representation in the periods of 1–5 years (27.4%), 6–10 years (33.6%), 11–15 years (18.9%), and 16+ years (20.2%). All things considered, the results can be applied to a variety of business kinds and offer a thorough grasp of the regional differences and the development of sustainable practices.

2. Descriptive Statistics

A fundamental comprehension of the sample characteristics and the frequency of important variables is offered by descriptive statistics.

Table 2. Statistics Descriptive

Variable	Mean	Standard Deviation
Green Marketing Practices	4.24	0.82
Sustainable Market Research	4.17	0.91
Consumer Engagement Initiatives	4.39	0.74
Brand Loyalty	4.43	0.63
Consumer Legitimacy	4.51	0.54

These average scores show that consumer interaction programmes, continuous market research, and green marketing strategies are being adopted at a pretty high rate, with favourable results in terms of customer legitimacy and brand loyalty.

3. Confirmatory Factor Analysis (CFA) Results

According to Hair (2019), the measurement model's Loading Factor (LF), Variance Inflation Extracted (VIF), Cronbach's Alpha (CA), Composite Reliability (CR), and Average Variance Extracted (AVE) all demonstrate satisfactory reliability and validity.

Table 3. Confirmatory Factor Analysis Results

Construct	Indicator	LF	VIF	CA	CR	AVE
Green Marketing Practices	Eco-friendly Packaging	0.856	1.832	0.882	0.901	0.753
	Sustainable Sourcing	0.824	2.432			
	Environmental Certifications	0.886	1.872			
Sustainable Market Research	Integration of Sustainability	0.854	1.982	0.863	0.885	0.72
	Consumer Perception Studies	0.816	2.293			
	Market Trends in Sustainability	0.884	1.986			
Consumer Engagement	Social Media Campaigns	0.886	2.092	0.896	0.918	0.79
	Customer Feedback Initiatives	0.878	1.838			
	Participation in Green Initiatives	0.901	1.467			
Brand Loyalty	Repeat Purchases	0.879	1.872	0.882	0.899	0.76
	Positive Brand Attitudes	0.894	1.743			

Construct	Indicator	LF	VIF	CA	CR	AVE
	Recommendation Intentions	0.863	2.015			
Consumer Legitimacy	Trust in Sustainability Claims	0.845	2.192	0.854	0.883	0.74
	Authenticity of Sustainable Efforts	0.883	1.975			

The degree and importance of the correlation between each indicator and its corresponding construct are shown by factor loadings. When values surpass the standard cutoff point of 0.70, it means that the indicators are measuring the target construct accurately. Each construct's reliability and convergent validity are further supported by the values of the average variance extracted (AVE), composite reliability, and Cronbach's alpha. Furthermore, VIF values less than 3,000 show the model's dependability.

Table 4. Discriminant Validity

	GMC	SMR	CEI	BL	CL
GMC					
SMR	0.384				
CEI	0.443	0.621			
BL	0.682	0.584	0.692		
CL	0.594	0.773	0.713	0.493	

The study does not surpass the upper bound of discriminant validity, as indicated by Table 4 above, which is less than 0.85 by (Hair, 2019).

4. Assessment of Model Fit

Several fit indices were looked at in order to assess the model's overall fit. The Chi-square (χ^2) test, Tucker-Lewis Index (TLI), Comparative Fit Index (CFI), Root Mean Square Error of Approximation (RMSEA), and Standardised Root Mean Square Residual (SRMR) are examples of frequently used fit indices.

Table 5. Model Fit Indices

Fit Index	Value	Recommended Threshold	Interpretation
Chi-square (χ^2)	152.364	-	P-value = 0.078 (Non-significant indicates good fit)
CFI	0.943	≥ 0.90	Good Fit
TLI	0.925	≥ 0.90	Good Fit
RMSEA	0.073	≤ 0.08	Adequate Fit
SRMR	0.055	≤ 0.08	Good Fit

From a variety of model fit indices, the suggested structural equation model shows a good fit. The Chi-square test (χ^2) non-significant p-value indicates that the model fits the data well. Additionally, the Tucker-Lewis Index (TLI) and Comparative match Index (CFI) both exceed the suggested cutoff point of 0.90, indicating an excellent overall match. Furthermore, the Standardised Root Mean Square Residual (SRMR) and Root Mean Square Error of Approximation (RMSEA) also fall within the permitted range, suggesting that the model well describes the observed data. When taken as a whole, these indices support the suitability of the structural equation model in explaining the relationships between the study's variables.

When assessing how well the exogenous variables—green marketing practices, sustainable market research, and consumer engagement—explain the variance in the endogenous variables—brand loyalty and consumer legitimacy—the coefficient of determination (R^2) is an essential indicator. The model's goodness of fit

is revealed by the R2 values. The robust fit for Brand Loyalty is indicated by the R2 of 0.653, which suggests a significant percentage of the variation is explained. Likewise, with an R2 of 0.543, Consumer Legitimacy has a moderate amount of explained variance. Together, these R2 values imply that the chosen exogenous variables provide a substantial contribution to the model's explanation of the variance in both consumer legitimacy and brand loyalty.

Q², a measure of the model's predictive performance, indicates how well it can predict outside of samples. Consumer Legitimacy exhibits moderate predictive relevance (Q² = 0.475), whereas Brand Loyalty exhibits high predictive relevance (Q² = 0.587). The R2 values demonstrate how well the model explains consumer legitimacy (54,3%) and brand loyalty (65,3%). These results validate the effectiveness of selected exogenous variables (consumer engagement, sustainable market research, and green marketing practices) in explaining observed differences. The significant Q² values for both variables highlight the model's strong predictive ability, showing that it can predict outcomes outside of the sample.

5. Hypothesis Testing

The structural model looks into the connections between endogenous variables like consumer legitimacy and brand loyalty and exogenous variables like green marketing practices, sustainable market research, and consumer engagement. The direction and strength of these interactions are shown by the route coefficients.

Table 6. Path Coefficients in the Structural Model

Path	Path Coefficient (β)	Standard Error	p-value	Result
Green Marketing → Brand Loyalty	0.427	0.057	0.000	Significant
Green Marketing → Consumer Legitimacy	0.384	0.064	0.000	Significant
Sustainable Market Research → Brand Loyalty	0.367	0.046	0.000	Significant
Sustainable Market Research → Consumer Legitimacy	0.337	0.054	0.001	Significant
Consumer Engagement → Brand Loyalty	0.441	0.073	0.000	Significant
Consumer Engagement → Consumer Legitimacy	0.415	0.061	0.000	Significant

Table 6's path coefficients demonstrate the strong positive correlations that exist between consumer engagement with brand loyalty and consumer legitimacy, green marketing, and sustainable market research. The positive coefficients suggest that there would be a rise in consumer legitimacy and brand loyalty when MSMEs enhance their green marketing strategies, do sustainable market research, and include consumers in sustainability efforts.

Through the mediating variable, the indirect impact illustrates how each exogenous variable affects the endogenous variable. The importance of these collateral consequences is essential to comprehending how sustainable practices influence customer legitimacy and brand loyalty.

Table 7. Indirect Effects in the Structural Model

Indirect Effect	Indirect Coefficient (β)	Standard Error	p-value	Result
Green Marketing → Brand Loyalty	0.186	0.045	0.000	Significant
Green Marketing → Consumer Legitimacy	0.154	0.034	0.000	Significant
Sustainable Market Research → Brand Loyalty	0.166	0.036	0.000	Significant
Sustainable Market Research → Consumer Legitimacy	0.144	0.023	0.003	Significant
Consumer Engagement → Brand Loyalty	0.206	0.055	0.000	Significant
Consumer Engagement → Consumer Legitimacy	0.194	0.043	0.001	Significant

These sustainable activities play a mediating function, as shown by Table 7's indirect consequences. Brand loyalty and consumer legitimacy can be indirectly influenced by green marketing, sustainable market research, and consumer engagement, all of which have a major impact on customer perceptions and conduct.

Discussion

The results offer compelling evidence supporting the study hypotheses. The average ratings show that consumer engagement programs, sustainable market research, and green marketing strategies are actively being adopted by MSMEs in Indonesia. In consequence, these actions have a favorable impact on customer legitimacy and brand loyalty.

Brand Loyalty and Consumer Legitimacy are significantly positively correlated with each sustainable activity (Green Marketing, Sustainable Market Research, and Consumer Engagement), according to the structural model results (Table 3). The path coefficients, which show the direction and strength of these associations, highlight how crucial sustainable company practices are in influencing the attitudes and actions of customers. Moreover, Table 4's indirect impacts emphasize how these sustainable activities function as a moderator. Through indirect channels, consumer engagement, green marketing, and sustainable market research all make substantial contributions to brand loyalty and consumer legitimacy. This supports the notion that implementing sustainable practices affects intermediary elements in addition to directly improving customer outcomes.

The study's findings are consistent with previous research on the beneficial effects of sustainable business practices on consumer legitimacy and brand loyalty. Consumer legitimacy and brand loyalty have been demonstrated to benefit from sustainable business practices

(Khan & Fatma, 2023; Mim et al., 2022). Studies have indicated that customers' engagement, loyalty, and trust are positively impacted by perceived sustainability (Sujanska & Nadanyiova, 2023). Utilizing reliable sources and upholding information openness are examples of sustainable marketing strategies that can foster favorable brand attachment, trust, and identity, which in turn can foster brand loyalty and electronic word-of-mouth (eWOM) (Khandai et al., 2023). Furthermore, using sustainable marketing techniques raises brand trust, which in turn raises brand influence and fosters behavioral and attitudinal brand loyalty. The results align with the

body of literature that highlights the significance of sustainability in influencing consumers' opinions of a company's brand and fostering customer loyalty.

The study's findings provide important context for MSMEs in Indonesia and provide insight into the particular dynamics that exist within this industry. Numerous studies attest to the beneficial effects of sustainable business practices on consumer legitimacy and brand loyalty in the context of MSMEs in Indonesia. In the retail industry, loyalty is positively impacted by elements including merchandising, website quality, commitment, and happiness, according to research by (Acintya et al., 2022). Sustainable manufacturing practices are favourably connected with competitive competencies, such as cost, quality, delivery, and flexibility, among MSMEs in Indonesia, according to a different study by (Mujianto et al., 2023). Furthermore, (Putri & Bangun, 2019) discovered that the association between financial literacy and business sustainability in MSMEs is mediated by financial behaviour and financial technology. These results imply that the implementation of sustainable practices can improve the competitiveness and business sustainability of the MSME sector in Indonesia, as well as brand loyalty and customer legitimacy.

1. Practical Implications

These findings have significant practical ramifications for MSMEs in Indonesia. This study demonstrates that spending money on consumer involvement, sustainable market research, and green marketing can pay off in the form of higher customer legitimacy and brand loyalty. MSMEs are urged to include sustainability into their business plans and use these tactics to forge closer bonds with customers.

2. Policy Implications

These results can be used by government agencies and oversight organisations to create policies that encourage and promote sustainable business practices in the MSME sector. Ensuring widespread adoption and expanding sustainable initiatives require a favourable policy climate.

3. Limitations and Future Research

This study has limitations even if it offers insightful information. It is important to acknowledge the cross-sectional character of this study and the possibility of bias. These dynamics could be investigated longitudinally or in various cultural contexts in future research. Furthermore, investigating the impact of additional contextual elements on the relationship under investigation may enhance our comprehension.

CONCLUSION

Finally, in the context of MSMEs in Indonesia, this study adds empirical evidence to the developing field of sustainable business practices. This study demonstrates how consumer engagement programmes, sustainable market research, and green marketing strategies all have a positive impact on customer legitimacy and brand loyalty. The results have ramifications for MSMEs in the real world, motivating them to strategically implement sustainable practices in order to forge closer bonds with their customers. The report makes recommendations for possible legislative changes that could encourage and assist sustainability in the MSME industry. Notwithstanding certain limitations, such as the study's cross-sectional design, the findings offer insightful information that can direct future investigations and advance the current discussion about sustainable business practices. Given the continued significance of MSMEs in the Indonesian economy, adopting sustainability becomes

apparent as a means of achieving both long-term prosperity and beneficial societal effects.

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