



Increasing MSME Competitiveness through Green Marketing Implementation: The Case of Pematang Serai Village, Langkat

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ABSTRACT

This study aims to analyze the role of Green Marketing implementation in increasing the competitiveness of Micro, Small and Medium Enterprises (MSMEs) in Pematang Serai Village, Langkat. Case studies are conducted using a quantitative approach, data type. What is used in this study is primary data taken through direct research, also with secondary data as support. The results showed that the implementation of Green Marketing significantly contributed to increasing the competitiveness of MSMEs in Pematang Serai Village. Through environmentally friendly and sustainable marketing practices, MSMEs are able to create competitive advantages, improve brand image, and attract the attention of consumers who care about the environment. The implications of this research provide guidance for stakeholders to strengthen Green Marketing strategies in supporting the growth and sustainability of MSMEs at the village level.

INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) have an important role in the Indonesian economy, including in Pematang Serai Village, Langkat. However, MSMEs often face challenges in improving their competitiveness in an increasingly competitive market. On the other hand, the need for environmental protection and awareness of environmental issues is increasing, including among consumers. Various campaigns from community organizations and companies such as The Body Shop have invited the public to reduce plastic, considering that 8 million tons of plastic waste pollute the ocean every year (Kompas, 2018).

In this context, the implementation of Green Marketing or environmentally friendly marketing can be an important strategy for MSMEs to increase their competitiveness. However, empirical research on the implementation of Green Marketing in the context of MSMEs at the village level is still limited, especially in Pematang Serai Village. According to (Eneizan BM, 2016), green marketing means integrating environmental issues into strategic marketing. As stated by (Gopalakrishnan et al., 2014), green marketing strategies are not only limited to products or services that do not harm the environment but also the entire process involved from the beginning of the process to arrive at the final consumer. The intended value chain is the development of green products, green positioning, green logistics, adequate waste management, green communication, development of green partnerships and adjustment of marketing mix. By implementing Green Marketing, MSMEs can take advantage of opportunities that exist in a market that is increasingly concerned about environmental issues. In a competitive business environment, MSMEs that adopt eco-friendly practices can differentiate themselves, attract environmentally conscious consumers, and increase their competitiveness in the market. The implementation of Green Marketing is not only carried out by large companies, but all business actors such as micro, small and medium enterprises (MSMEs) are required to be able to run their business by creating safe and environmentally friendly products. (Sanny et al., 2023)

Therefore, this study aims to fill the knowledge gap by analyzing the role of Green Marketing implementation in increasing the competitiveness of MSMEs in Pematang Serai Village, Langkat. By looking at the case in this village, this research is expected to provide valuable insights into effective environmentally friendly marketing strategies in the context of MSMEs in rural areas.

The results of this study are expected to provide a better understanding of the benefits and challenges of implementing Green Marketing for MSMEs in villages. In addition, this research can also provide input to stakeholders, such as MSME actors, village governments, and MSME supporting institutions, in formulating policies and strategies that support the growth and sustainability of MSMEs in Pematang Serai Village and similar villages in Indonesia.

LITERATURE REVIEW

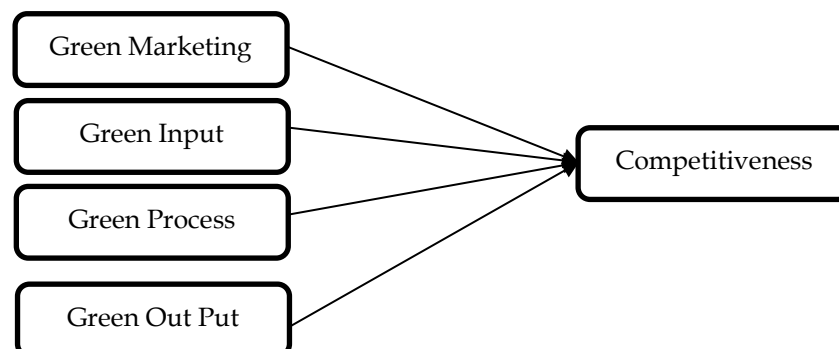
Competitiveness

Product uniqueness The uniqueness possessed by the products produced by the company so as to distinguish it from competing products or general products on the market. As a breakthrough produced by the company in pouring the results of ideas or ideas so as to create something different or unique from others (competitors) so that it can have appeal to customers (Galuh et al., 2022). Dong-sung cho (in Wahono, 2018) competition is the core of a company's success or failure, something that has more value than others will make its own advantage. From this there is a new model called the 9-factor model. There are two sides posed by competition, namely the success side because it encourages companies to be more dynamic and compete in producing products and providing the best service for their markets, so that competition is considered a motivating opportunity. While the other side is failure because it will weaken companies that are static, afraid of competition and unable to produce quality products, so competition is a threat to their companies. An area that can compete with other regions in producing and marketing goods and services is called having high competitiveness (Christanto, 2011)

Green Marketing

Green marketing is an idea in marketing management that is oriented towards environmentally friendly marketing management. Green marketing is considered an innovation that arises along with the increasing amount of environmental damage that occurs due to the company's production activities so it is important for the company to have responsibility for environmental sustainability. The main purpose of green marketing is in its main orientation, which is to preserve environmental sustainability. However, when viewed from a business perspective, green marketing is widely applied as a tool that bridges companies to achieve their goals, both the goal of increasing company profits and the goal of playing an active role in environmental conservation participation. (Desy Surya & Ario, 2023)

The research concept framework formed from this research is as follows:



Picture 1. Research Concept Framework

With the following hypothesis:

- a) *Green Marketing* has a positive and significant effect on the competitiveness of MSMEs in Pematang Serai Village, Langkat
- b) *Green Input* has a positive and significant effect on the Competitiveness of MSMEs in Pematang Serai Village, Langkat
- c) *Green Process* has a positive and significant effect on the competitiveness of MSMEs in Pematang Serai Village, Langkat
- d) *Green Output* has a positive and significant effect on the competitiveness of MSMEs in Pematang Serai Village, Langkat

METHODOLOGY

Quantitative research is different from qualitative research. Quantitative research produces more measurable information. This is because there is data that is used as a foundation to produce more measurable information. Quantitative research does not dispute the relationship between researchers and research subjects because the results of research depend more on the instruments used and measurable variables used, rather than intimate and emotional involvement between researchers and subjects studied. (Daulay , 2022) The method carried out in this study is nonprobability sampling, with purposive sampling techniques. Purposive sampling according to Sugiyono (2013: 156) is a sampling technique with certain considerations. The sample consideration of this study is a household industry that has been running its business for 2 years and its production raw materials come from local natural resources totaling 50 respondents of business owners in Pematang Serai Village, Langkat Regency.

RESEARCH RESULTS AND DISCUSSION

The value of multiple linear regression in this study can be seen in the following table:

Table 1. Multiple Linear Regression Analysis Coefficientsa

Type	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	3.701	2.249		.134	.894		
Green Marketing	.484	.114	.442	5.230	.000	.130	7.670
Green Input	.239	.066	.167	3.593	.001	.660	1.514
Green	.406	.191	.489	4.742	.000	.134	7.477

Process							
Green Output	.685	.140	.028	3.606	.005	.668	1.497

a. Dependent Variable: Competitiveness

From the table above, the form of the regression equation in this study is as follows: $Y = 3.701 + 0.484 X1 + 0.239 X2 + 0.406 X3 + 0.685 X4 + e$ from the table above, it can be explained that the constant value of the variable (Y) of 3.701 means that if green marketing, green input, green process and green output unit value is (0), then competitiveness will remain at 37.01%. If green marketing is done in the eyes of consumers, the level of competitiveness will increase by 0.484. If green input increases then competitiveness will increase by 0.239. If the green process experiences an increase of one unit, the competitiveness will increase by 0.406. If the green output increases by one unit, then the power will increase by 0.685.

The last hypothesis testing stage in multiple linear regression analysis is to find the coefficient of determination. The results of the determination test (R²) can be seen from the coefficient of determination in the following table:

Table 2. Coefficient of Determination (R²)
Model Summary^b

Type	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.867a	.836	.830	2.318	2.399

a. Predictors: (Constant), GM, GI, GP, GO

b. Dependent Variable: Competitiveness

From the analysis of the data above, it is known that the magnitude of R Square is 0.836. This means that 83.6% of competitiveness variables can be influenced by green marketing strategies. While the rest (100%-83.6%= 16.4%) were influenced by other factors not included in this study.

The Effect of Green Marketing on Competitiveness

Based on the results of direct influence testing, it is known that the t-count value for the green marketing variable (X₁) = has a calculated t value of 5.230 > and T table 1.677 with a significance value of 0.000, namely (5.230 > 1.677). So it can be concluded that H₀ was rejected and H_a was accepted, meaning that green marketing partially has a significant effect on the competitiveness of MSMEs in Pematang Serai village, Langkat Regency. Businesses consider many competitors to participate in the intense competition. To reach the intended market and increase profits, the right marketing and media strategies are used. Currently, digital marketing is one of the marketing tools that is in great demand by the public to support various activities.

Businesses are starting to leave conventional and traditional marketing models and switch to digital marketing. With digital marketing, communication and transactions can be done anywhere and anytime around the world. With the number of chat-based social media users increasing every day, there is an opportunity for businesses to develop a market related to smartphone grips. (Sanny, 2022)

The Effect of Green Input on Competitiveness

Based on the results of direct influence testing, it is known that the t-count value for the green input variable (X_2) = has a calculated t value of 3.593 > and T table 1.677 with a significance value smaller than 0.05, which is 0.001, which is (3.593 > 1.677). So it can be concluded that H_0 was rejected and H_a was accepted, meaning that green input partially has a significant effect on the competitiveness of MSMEs in Pematang Serai village, Langkat Regency.

A product is useful, but if it is not known to the buyer, the benefits will not be known and the consumer will not buy. Therefore, business actors must try to influence buyers to create demand for the product, after which it is maintained and developed. Marketing strategy is the way to achieve this.

The Effect of Green Process on Competitiveness

Based on the results of direct influence testing, it is known that the t-count value for the process variable (X_3) = has a calculated t value of 4.742 > and t table 1.677 with a significance value smaller than 0.05, which is 0.000, namely (4.742 > 1.677). So it can be concluded that H_0 was rejected and H_a was accepted, meaning that the green process partially has a significant effect on the competitiveness of MSMEs in Pematang Serai village, Langkat Regency.

Almost everyone in the modern world wants products that are sold in a good and environmentally friendly way. Society began to realize that every production had an impact on the environment, and consumers became more interested in seeing every process that occurred during the production process.

The Effect of Green Output on Competitiveness

Based on the results of indirect influence testing, it is known that the t-count value for the green output variable (X_4) = has a calculated t value of 3.606 > and t table 1.677 with a significance value smaller than 0.05, which is 0.005, namely (3.606 > 1.677). So it can be concluded that H_0 was rejected and H_a was accepted, meaning that green output partially has a significant effect on the competitiveness of MSMEs in Pematang Serai Village, Langkat Regency.

MSME players in Pematang Serai Village must evaluate various aspects that produce, such as the use of biodegradable packaging, labels, product durability, and product certification, if they want to maintain and develop existing markets and customers.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of the above research, it can be concluded that with increasing public concern for the environment, it encourages them to become environmentally responsible consumers and switch to using and consuming

environmentally based products. This is an opportunity for MSME players to use green strategies to expand their market share. And from the hypothesis formed, it can be concluded that Green Marketing, Green Input, Green Process, Freen Output have a positive and partially significant effect on the competitiveness of MSMEs in the community of Pematang Serai Village, Tanjung Pura District, Langkat Regency.

ADVANCED RESEARCH

The researcher realizes that, given the limited knowledge and abilities of the researchers themselves, there are still many shortcomings in terms of language, writing, and presentation form. Therefore, the researcher expects constructive criticism and suggestions from various parties in order to make the article better.

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