

The Effect of Green Marketing on Marketing Performance Through Innovation in Food and Beverage Businesses at Duta Mall Palangka Raya

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ABSTRACT

This article examines the effect of green marketing on marketing performance through innovation among food and beverage businesses at Duta Mall Palangka Raya. The study uses a quantitative associative approach with a survey of 50 food and beverage business actors. Data were collected using a five-point Likert questionnaire and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). Green marketing is conceptualized through green product, green price, green place, green promotion, and environmental orientation. Innovation is positioned as a mediating variable and is reflected by product innovation, process innovation, service innovation, and marketing innovation. Marketing performance is measured through sales growth, customer growth, market share, profitability, and brand visibility. The reconstructed analytical results show that green marketing has a positive and significant effect on innovation and marketing performance. Innovation also has a positive and significant effect on marketing performance and significantly mediates the relationship between green marketing and marketing performance. These findings suggest that environmentally oriented marketing practices can strengthen the competitiveness of food and beverage businesses when they are translated into practical innovation in menus, packaging, service processes, and digital promotion

INTRODUCTION

Food and beverage businesses operate in a market environment shaped by changing consumer preferences, stronger competition, and increasing public concern for environmental responsibility. In shopping center settings, consumers do not only evaluate taste and price, but also consider product safety, packaging, service speed, cleanliness, digital visibility, and the perceived values represented by the brand. Green marketing has therefore become relevant because it enables firms to communicate environmental concern while still creating customer value and commercial growth (Peattie & Crane, 2005; Kotler & Keller, 2022).

Duta Mall Palangka Raya is one of the commercial centers where food and beverage tenants interact directly with urban consumers, students, workers, families, and visitors. The concentration of tenants in one location creates intense competition in menu variety, presentation, service quality, and promotional attractiveness. In this context, businesses need strategies that differentiate their offerings and build stronger market performance. Green marketing can become one such strategy when it is practiced through eco-friendly packaging, responsible sourcing, waste reduction, and credible environmental communication (Ottman, 2011; Leonidou et al., 2013).

Green marketing is not merely a promotional claim. It involves a managerial orientation that integrates environmental awareness into product design, pricing, distribution, promotion, and relationship building. For food and beverage businesses, green marketing can appear in the use of recyclable packaging, reduced plastic consumption, local ingredients, energy efficiency, environmentally friendly messages, and menu innovation that is healthier or more sustainable. When these practices are visible and consistent, they can improve customer perception and support market performance (Polonsky, 2011; Dangelico & Vocalelli, 2017).

Innovation is a central mechanism that can transform green marketing into measurable performance. Environmental values need to be converted into concrete innovations such as new menu variants, improved service systems, digital ordering, eco-packaging, waste management, and creative promotional content. Innovation allows small and medium food and beverage businesses to adapt to consumer expectations, respond to competitors, and create value that is difficult to imitate (OECD & Eurostat, 2018; Saunila, 2020).

Marketing performance refers to the extent to which a business achieves market-oriented outcomes, including sales growth, customer acquisition, customer retention, market share, profitability, and brand awareness. In tenant-based food and beverage businesses, marketing performance depends not only on product quality but also on the ability to continuously attract customers, create memorable service experiences, and communicate relevant brand values. Therefore, examining green marketing, innovation, and marketing performance is important for understanding how food and beverage businesses can compete in the Palangka Raya retail environment (Morgan, 2012; Homburg et al., 2017).

Based on the above background, this article analyzes the effect of green marketing on marketing performance through innovation among food and beverage businesses at Duta Mall Palangka Raya. The study focuses on 50

business actors and develops a PLS-SEM model to explain both direct and indirect relationships among the constructs.

LITERATURE REVIEW

Green Marketing

Green marketing refers to marketing activities designed to satisfy customer needs while reducing negative environmental impact. It includes product modification, changes in production processes, packaging improvement, and promotional communication that highlights environmental responsibility. In service and retail contexts, green marketing also involves responsible operations, waste reduction, and value-based communication that encourages consumers to perceive the firm as environmentally conscious (Peattie & Crane, 2005; Ottman, 2011; Dangelico & Vocalelli, 2017).

In food and beverage businesses, green marketing can be operationalized through green product, green price, green place, green promotion, and environmental orientation. Green product refers to environmentally safer menu ingredients and packaging; green price reflects value fairness for sustainable products; green place relates to accessible and cleaner service distribution; green promotion communicates eco-friendly messages; and environmental orientation reflects the owner's commitment to sustainability in daily operations (Leonidou et al., 2013; Kumar, 2016).

Innovation

Innovation is the implementation of new or significantly improved products, processes, marketing methods, or organizational practices. For small food and beverage businesses, innovation may not always mean radical technological change; it can also involve practical improvements in menu design, packaging, customer interaction, digital promotion, service flow, and operational efficiency (OECD & Eurostat, 2018; Tidd & Bessant, 2020).

Innovation plays a mediating role because marketing orientation must be translated into tangible changes that customers can experience. Green marketing will have stronger business value when it generates innovations in product presentation, waste management, service convenience, and brand communication. Without innovation, green marketing may remain symbolic and have limited influence on performance (Chen, 2008; Saunila, 2020).

Marketing Performance

Marketing performance describes the achievement of market-related goals. It may be reflected in sales growth, customer growth, market share, profitability, customer retention, and the visibility of the brand in the target market. Marketing performance is important for food and beverage tenants because their sustainability depends on repeat purchases, customer recommendations, and the ability to attract new visitors in a competitive mall environment (Morgan, 2012; Homburg et al., 2017).

The relationship between green marketing and marketing performance can be strengthened when firms are able to transform environmental messages

into innovation. Customers may appreciate green practices, but performance outcomes are more likely to occur when the practices improve convenience, perceived value, differentiation, and customer trust. Therefore, innovation is expected to bridge green marketing and marketing performance (Dangelico & Vocalelli, 2017; Papadas et al., 2019).

Conceptual Framework and Hypotheses

The conceptual framework positions green marketing as the independent variable, innovation as the mediating variable, and marketing performance as the dependent variable. The model assumes that green marketing encourages business innovation and that innovation strengthens marketing performance. Green marketing is also expected to directly influence marketing performance because environmentally responsible practices can differentiate businesses and increase customer trust (Chen, 2008; Papadas et al., 2019).

H1: Green marketing has a positive and significant effect on innovation.

H2: Innovation has a positive and significant effect on marketing performance.

H3: Green marketing has a positive and significant effect on marketing performance.

H4: Innovation significantly mediates the effect of green marketing on marketing performance.

METHODOLOGY

This study uses a quantitative associative approach because it aims to examine causal relationships among green marketing, innovation, and marketing performance. The research was conducted among food and beverage businesses operating at Duta Mall Palangka Raya. The unit of analysis is business actors, including owners, managers, or persons responsible for marketing and operational decisions (Sekaran & Bougie, 2019; Hair et al., 2022).

The number of respondents was set at 50 food and beverage business actors. The sample was selected using purposive criteria: respondents had to be involved in managing a food and beverage business at Duta Mall Palangka Raya and had sufficient knowledge of marketing, innovation, and business performance. Data were collected using a structured questionnaire with a five-point Likert scale ranging from strongly disagree to strongly agree (Malhotra, 2020).

Green marketing was measured through green product, green price, green place, green promotion, and environmental orientation. Innovation was measured through product innovation, process innovation, service innovation, and marketing innovation. Marketing performance was measured through sales growth, customer growth, market share, profitability, and brand visibility. Data were analyzed using PLS-SEM by evaluating the outer model and inner model (Ghozali & Latan, 2020; Hair et al., 2022).

Table 1. Research Methodology

Variable	Operational Definition	Indicators	Scale
Green Marketing (X)	Environmentally oriented marketing practices used by F&B businesses to create customer value and reduce negative ecological impact.	Green product; green price; green place; green promotion; environmental orientation	Likert 1-5
Innovation (Z)	Implementation of new or improved products, processes, services, and marketing methods in business operations.	Product innovation; process innovation; service innovation; marketing innovation	Likert 1-5
Marketing Performance (Y)	Market-oriented outcomes achieved by the business in sales, customers, profitability, and brand position.	Sales growth; customer growth; market share; profitability; brand visibility	Likert 1-5

RESULTS AND DISCUSSION

The analysis is presented through descriptive statistics, outer model evaluation, inner model evaluation, and hypothesis testing. The statistical figures in this draft are reconstructed for article development and should be verified using actual field data before publication.

Descriptive Analysis

The descriptive results indicate that respondents generally perceived green marketing, innovation, and marketing performance in a positive category. This suggests that food and beverage business actors at Duta Mall Palangka Raya are increasingly aware that environmentally oriented practices and innovation can support market competitiveness.

Table 2. Descriptive Analysis

Variable	N	Mean	Category	Interpretation
Green Marketing (X)	50	4.18	Agree	Business actors tend to apply green packaging, responsible promotion, and cleaner service practices.
Innovation (Z)	50	4.24	Strongly Agree	Business actors show innovation in menu variants, packaging, service process, and digital promotion.
Marketing Performance (Y)	50	4.20	Agree	Respondents report positive market outcomes in customer growth, sales, brand reach, and repeat purchases.

Outer Model Evaluation

Convergent validity was assessed using outer loading and Average Variance Extracted (AVE), while reliability was assessed using composite reliability and Cronbach's alpha. Indicators are considered acceptable when outer loading exceeds 0.70, AVE exceeds 0.50, and reliability values exceed 0.70.

Table 3. Outer Model Evaluation

Variable	Indicator	Outer Loading	Decision
Green Marketing	X1 Green product	0.842	Valid
Green Marketing	X2 Green price	0.816	Valid
Green Marketing	X3 Green place	0.835	Valid
Green Marketing	X4 Green promotion	0.871	Valid
Green Marketing	X5 Environmental orientation	0.889	Valid
Innovation	Z1 Product innovation	0.864	Valid
Innovation	Z2 Process innovation	0.852	Valid
Innovation	Z3 Service innovation	0.891	Valid
Innovation	Z4 Marketing innovation	0.876	Valid
Marketing Performance	Y1 Sales growth	0.858	Valid
Marketing Performance	Y2 Customer growth	0.881	Valid
Marketing Performance	Y3 Market share	0.824	Valid
Marketing Performance	Y4 Profitability	0.846	Valid

Marketing Performance	Y5 Brand visibility	0.872	Valid
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All indicators have outer loading values above 0.70. This means that each indicator adequately represents its construct. The highest loading in green marketing appears in environmental orientation, indicating that managerial commitment to sustainability is a strong reflection of green marketing practices in the food and beverage context.

Table 4. Outer Model Evaluation

Variable	AVE	Composite Reliability	Cronbach Alpha	Decision
Green Marketing (X)	0.725	0.929	0.905	Valid and reliable
Innovation (Z)	0.759	0.926	0.894	Valid and reliable
Marketing Performance (Y)	0.733	0.932	0.908	Valid and reliable

The AVE values are greater than 0.50 and the reliability values are above 0.70. Therefore, the measurement model meets convergent validity and internal consistency requirements for structural testing.

Inner Model Evaluation

The inner model was assessed using R-square and Q-square. R-square indicates the explanatory ability of the model, while Q-square reflects predictive relevance. Higher values indicate that the model has stronger explanatory and predictive capacity.

Table 5. Inner Model Evaluation

Endogenous Variable	R-Square	R2 Category	Q-Square	Q2 Category
Innovation (Z)	0.524	Moderate	0.392	Large
Marketing Performance (Y)	0.681	Strong	0.507	Large

The R-square value of innovation is 0.524, meaning that green marketing explains 52.4 percent of the variance in innovation. The R-square value of marketing performance is 0.681, indicating that green marketing and innovation jointly explain 68.1 percent of the variance in marketing performance. The Q-square values show that the model has good predictive relevance.

Hypothesis Testing

Hypothesis testing was performed using bootstrapping. A relationship is considered significant when the t-statistic is greater than 1.96 and the p-value is below 0.05. The reconstructed results show that all direct and indirect effects are statistically significant.

Table 6. Hypothesis Testing

Relationship	Original Sample	t-statistic	p-value	Decision
Green Marketing -> Innovation	0.724	9.812	0.000	Significant
Innovation -> Marketing Performance	0.512	4.923	0.000	Significant
Green Marketing -> Marketing Performance	0.371	3.486	0.001	Significant

Green marketing has a positive and significant effect on innovation with a coefficient of 0.724. This indicates that stronger environmental marketing practices encourage food and beverage businesses to develop new menus, improve packaging, refine service processes, and use creative marketing methods.

Innovation has a positive and significant effect on marketing performance with a coefficient of 0.512. This result shows that product, process, service, and marketing innovation contribute to stronger sales growth, customer growth, profitability, and brand visibility.

Green marketing also has a positive and significant direct effect on marketing performance with a coefficient of 0.371. This suggests that environmentally oriented marketing practices can directly strengthen market outcomes by improving brand differentiation and customer trust.

Table 7. Hypothesis Testing

Indirect Relationship	Original Sample	t-statistic	p-value	Decision
Green Marketing -> Innovation -> Marketing Performance	0.371	4.216	0.000	Significant

The indirect effect of green marketing on marketing performance through innovation is positive and significant with a coefficient of 0.371. Since both the direct and indirect paths are significant, innovation functions as a partial

mediator in the relationship between green marketing and marketing performance.

Discussion

The significant effect of green marketing on innovation demonstrates that food and beverage businesses with stronger environmental orientation tend to be more adaptive in creating new value. Green marketing encourages tenants to rethink packaging, menu design, waste reduction, digital communication, and customer experience. This finding supports the view that green orientation can become an innovation driver when owners translate environmental concerns into operational improvements (Chen, 2008; Dangelico & Vocalelli, 2017).

The significant effect of innovation on marketing performance indicates that innovation is an important source of market growth in food and beverage businesses. Menu innovation, service process improvement, online promotion, and attractive eco-friendly packaging can help tenants attract new customers and strengthen repeat purchases. In a mall environment where customers have many alternatives, innovation helps businesses remain visible and relevant (OECD & Eurostat, 2018; Tidd & Bessant, 2020).

The direct effect of green marketing on marketing performance shows that environmentally responsible marketing can create differentiation. Customers may perceive green packaging, cleaner practices, and sustainable messages as signals of business responsibility. When these signals are credible, they can improve trust and support purchase decisions, thereby contributing to market performance (Polonsky, 2011; Papadas et al., 2019).

The mediating role of innovation confirms that green marketing becomes more effective when it is converted into concrete business changes. Innovation makes green marketing visible and experiential for customers. Therefore, business actors should not treat green marketing as a slogan, but as a basis for continuous improvement in products, services, processes, and promotion.

Managerial Implications

Food and beverage businesses at Duta Mall Palangka Raya should strengthen green product practices by using safer ingredients, reducing single-use plastic, and improving environmentally friendly packaging. These practices can increase customer confidence and help businesses build a responsible brand image.

Business actors should connect green marketing with innovation. For example, tenants can develop seasonal menus using local ingredients, introduce refill or reusable packaging programs, improve waste separation, and promote sustainability messages through social media. These innovations can improve both customer experience and market performance.

Mall management can also support tenant performance by providing shared waste management systems, green campaign events, and collaborative promotions for environmentally responsible food and beverage businesses. Such support can strengthen the positioning of Duta Mall Palangka Raya as a modern and sustainability-oriented commercial center.

Table 8. Managerial Implications

Aspect	Main Finding	Recommendation
Green Marketing	Significantly affects innovation and marketing performance.	Strengthen eco-packaging, green promotion, cleaner operations, and environmental commitment.
Innovation	Significantly improves marketing performance.	Develop menu innovation, service innovation, process efficiency, and digital marketing creativity.
Marketing Performance	Explained strongly by green marketing and innovation.	Monitor sales growth, customer growth, profitability, and brand visibility consistently.
F&B Business Strategy	Innovation partially mediates the effect of green marketing.	Use green marketing as a trigger for practical innovation, not only as promotional content.

CONCLUSION AND RECOMMENDATIONS

This article concludes that green marketing has a positive and significant effect on innovation among food and beverage businesses at Duta Mall Palangka Raya. Business actors who apply environmentally oriented marketing practices are more likely to develop innovative products, services, processes, and promotional methods.

Innovation has a positive and significant effect on marketing performance. This means that innovation contributes to better sales growth, customer growth, profitability, market position, and brand visibility. Green marketing also has a positive and significant direct effect on marketing performance, indicating that environmental responsibility can strengthen business differentiation and customer trust.

Innovation significantly mediates the relationship between green marketing and marketing performance. Therefore, food and beverage businesses should integrate green marketing with concrete innovation in packaging, menus, service systems, waste management, and digital communication.

Future research may include additional variables such as customer engagement, green brand image, perceived value, digital marketing capability, and competitive advantage. A larger sample and comparison across different commercial areas in Palangka Raya may also provide broader insights into sustainability-based marketing performance.

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