

GREEN MARKETING AND SUSTAINABILITY OF SMES BUSINESS: THE ROLE OF ENVIROPRENEURIAL ORIENTATION AS MEDIATING VARIABLE

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Abstract

Purpose: This study aims to test and analyze the influence of green marketing on the sustainability of MSME businesses through environmental orientation. **Design/methodology/approach:** The sample for this study was SMEs registered with the Tangerang City Department of Industry, Trade, Cooperatives, and Small and Medium Enterprises (Disperindagkop UKM) using a combination of the Slovin and purposive sampling methods. Based on Tangerang City Government data as of March 2024, 58,692 MSMEs had obtained business identification numbers. Using this data collection technique, 100 final respondents were selected for further analysis to test the hypotheses. The data analysis technique used structural equation modeling-partial least squares (SEM-PLS). **Findings:** The results of this study found that green marketing has a positive and significant effect on environmental orientation, environmental orientation has a positive and significant effect on the sustainability of SMEs businesses, green marketing has a positive and significant effect on the sustainability of SMEs businesses, and environmental orientation can mediate the effect of green marketing on the sustainability of SMEs businesses. **Originality/value:** This study offers an original contribution by examining the role of environmental orientation as a mediating variable in the relationship between green marketing and the limited business sustainability of SMEs. This contrasts with previous research, which generally emphasizes the direct influence of green marketing on SMEs business sustainability. This study demonstrates that SMEs business sustainability is more effectively achieved when green marketing is able to shape an environmentally-based entrepreneurial orientation. This research also enriches the literature on the context of MSMEs in developing countries, particularly at the urban level, and expands the application of the Resource-Based View (RBV) by positioning green marketing as a strategic resource that drives SMEs internal capabilities to achieve business sustainability.

Keywords: *Enviropreneurial orientation, green marketing, Sustainability of SMEs Business*

INTRODUCTION

Increasing global awareness of climate change, environmental degradation, and limited natural resources has led to a shift in perspectives in the business world. Ismail (2023) states that over the past few years, the idea of sustainable development has become increasingly discussed, particularly in developed and developing countries, as it is considered a global initiative. This phenomenon has emerged as businesses have begun to adopt sustainability-oriented principles. This situation is not only occurring in large industrial sectors but also extends to small businesses. Murphy (2013) explains that sustainable development for small businesses involves business operations balanced with long-term commitment and responsibility to maintain a balance between social, economic, and environmental issues, while previously focusing solely on achieving short-term financial gains. In Indonesia, micro, small, and medium enterprises (SMEs) significantly contribute to the country's gross domestic product (GDP) growth and serve as key drivers of job creation, particularly in rural and peri-urban areas. Furthermore, SMEs play a vital role in facilitating local innovation, particularly in the use of simple and adaptable technologies (Dwifanty et al., 2025). Therefore, SMEs are key contributors to environmental challenges arising from rapid industrial development (Srivastava & Lunia, 2021). In this context, the concept of MSME business sustainability has become a strategic issue that is increasingly attracting attention from

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academics, practitioners, and policymakers. Green marketing has emerged as a business method considered capable of addressing these challenges. Gheorghe et al. (2023) state that green marketing refers to the promotion of environmentally friendly products by companies that align with sustainable goals and attract the interest of environmentally conscious consumers. This is crucial because green marketing is not merely a moral message but also functions as a strategic tool that effectively influences individual behavior (Chang et al., 2025). For SMEs, the implementation of green marketing has the potential to increase competitiveness, create a positive brand image, and expand market access, especially amidst increasing consumer interest in sustainability-focused products. Facts on the ground show that the effectiveness of green marketing in promoting the sustainability of SMEs businesses is still hampered by a number of challenges. Limited financial resources, low environmental awareness, a lack of environmentally friendly innovation, and a short-term focus on profits often result in green marketing being implemented as mere greenwashing and not yet fully integrated strategically into SMEs business models. This situation indicates that green marketing does not effectively ensure the sustainability of SMEs businesses.

From this perspective, environmental orientation is considered an internal element that can connect green marketing and the sustainability of SMEs businesses. Khan et al. (2020) explain that with increasing awareness of sustainability among small businesses, the concept of environmental entrepreneurial orientation has emerged as a sustainable and crucial business approach to achieving optimal competitive advantage and superior business performance. Environmental orientation refers to the attitude demonstrated by managers and owners towards business conditions that can lead to business goals and environmental sustainability through proactive, innovative, and aggressive actions while considering the propensity to take risks when developing and implementing business plans and policies that improve performance and competitiveness (Khan et al., 2020; Namagembe et al., 2017). SMEs with a strong environmental orientation tend to be better able to translate green marketing strategies into concrete actions that impact long-term performance and business sustainability.

Various previous studies have shown that green marketing and environmental entrepreneurial orientation are crucial components in improving corporate performance and sustainability. However, studies that specifically integrate these two concepts, especially as mediating mechanisms in the context of SMEs in developing countries, are still quite rare. Ismail et al. (2023) explained that green marketing and environmental entrepreneurial orientation have a positive impact on corporate sustainability. This result is in line with research by Namagembe et al. (2016) and Namagembe et al. (2017) which stated that environmental entrepreneurial orientation is a crucial capability in implementing green supply chain practices and improving SMEs performance. Khan et al. (2020) further showed that the impact of environmental entrepreneurial orientation on small business performance is mediated by the green marketing mix and eco-labeling strategy, confirming the position of environmental entrepreneurial orientation as a strategic driver in green marketing.

At the sectoral and consumer levels, several studies have confirmed the effectiveness of green marketing in influencing sustainable market behaviors and preferences. Gu et al. (2025), Chang et al. (2025), Zheng et al. (2025), and Fang and Zaman (2025) found that green marketing has a significant influence on consumer preferences, purchase intentions, and brand-consumer relationships across various industry contexts, including ecotourism and sustainable accommodation. Similar findings were also presented by Jave-Chire et al. (2025) in the footwear sector, Rehman et al. (2025) in the kitchenware industry, and Lam and Li (2019) in the context of environmentally friendly ports, indicating that green marketing can enhance brand value and drive sustainable growth. In the world of SMEs and developing countries, several previous studies have highlighted the significance of contextual elements such as technology, social networks, and organizational capacity. Anim et al. (2025) explain that implementing green strategies supported by agricultural technology and social networks can enhance the success of green markets for women farmers in rural areas. Nat & Siepong (2024) emphasize that green marketing capabilities through appropriate capacity building play a crucial role in achieving sustainable development. Meanwhile, Chen et al. (2024) and Huang et al. (2024) highlight the importance of innovation, eco-labeling, and efficiency in green marketing strategies to achieve long-term sustainability.

In general, studies on sustainability in the SMEs sector emphasize that sustainability is influenced not only by marketing but also by financing factors, operational performance, and a comprehensive evaluation system. Hakam and Hakam (2024), Malesios et al. (2021), and Zaman et al. (2025) state that the sustainability aspect of SMEs is a multidimensional concept influenced by resource constraints, management, and the existing policy environment. Furthermore, Gheorghe et al. (2023) demonstrate the important role of green marketing in developing sustainable destinations through a clustering method. Therefore, although several previous studies have confirmed the positive impact of green marketing and an environmental orientation on performance and sustainability, there is a research gap

that needs to be explored further regarding how green marketing can influence the sustainability of SMEs businesses through an integrated environmental orientation, especially in the context of developing countries with different characteristics and dynamics. The contextual description that has been outlined previously indicates that this study aims to test and analyze the impact of green marketing on environmental orientation, (2) environmental orientation on the sustainability of SMEs businesses, (3) green marketing on the sustainability of SMEs businesses, and (4) green marketing's influence on the sustainability of SMEs businesses through environmental orientation.

THEORY AND HYPOTHESIS DEVELOPMENT

Resources Based View (RBV)

This theory assumes that the availability of resources within a company influences the company's ability to maintain a sustainable competitive advantage. In this view, the existence of distinctive resources is a differentiator for the business in terms of the operations carried out and the results obtained (Barney, 1991). According to Barney (1991), the existence of resources that are difficult to imitate and not easily substituted strengthens the company's ability to achieve good performance. Intangible resources include capabilities described as a complex set of skills that can support the use of tangible resources and ensure efficient coordination of activities within the company.

Green Marketing and Enviropreneurial Orientation

The Resource-Based View (RBV) explains that organizations gain a lasting advantage by leveraging unique, valuable, rare, difficult-to-imitate, and regulated internal resources (Barney, 1991). One crucial resource for today's companies is sustainable marketing capabilities, which encompass tactics, actions, and communication methods that emphasize environmental sustainability in products, services, and business processes. Green marketing serves not only as a marketing tool but also as a way to build an environmentally conscious corporate culture, raise awareness of ecological issues, and encourage innovation in products and processes. Companies that routinely implement green marketing typically have a vision and strategy aligned with sustainability principles, which underpin their environmental orientation. This demonstrates a company's tendency to seek out environmentally friendly business opportunities, take risks in green innovation, and adopt business practices that support sustainability. Green marketing serves as a strategic resource that guides an environmental orientation by simultaneously creating value for customers and the environment. Companies that implement sustainable marketing strategies are more likely to develop an environmentally focused entrepreneurial orientation. The more a company implements Green Marketing robustly and consistently, the more likely it is to adopt an entrepreneurial orientation focused on innovation and environmental sustainability. This description suggests that the study's hypothesis is as follows.

H₁: Green marketing positive effect on enviropreneurial orientation

Enviropreneurial Orientation and Sustainability of SMEs Business

Based on the Resource-Based View (RBV) perspective, the existence of companies, including micro, small, and medium enterprises (SMEs), is highly dependent on the utilization of internal resources that possess unique, valuable characteristics and are difficult for competitors to match. An enviropreneurial orientation, encompassing SMEs ability to recognize sustainable business opportunities, dare to take risks in environmentally friendly innovation, and implement responsible practices, can be seen as a strategic resource that sets them apart from their competitors. This resource not only enhances competitive advantage but also creates long-term value for the company through operational efficiency, customer loyalty, and a positive reputation related to sustainability. SMEs with an enviropreneurial orientation appear to be more proactive in creating products, processes, and business strategies that benefit the environment. This approach encourages the implementation of green innovation, efficient use of resources, and environmental risk management, all of which directly contribute to business sustainability. The stronger the enviropreneurial orientation of SMEs, the greater their opportunities to maintain business operations, increase competitiveness, and adapt to market demands that are increasingly concerned with environmental issues. Khan et al. (2020) showed the impact of environmental entrepreneurial orientation on small business performance. SMEs with a superior environmental entrepreneurial orientation have a greater chance of surviving, growing, and making positive contributions to the economy and the environment in the long term. This description demonstrates the following study's hypothesis.

H₂: Enviropreneurial orientation positive effect on Sustainability of SMEs Business

Green Marketing and Sustainability of SMEs Business

The sustainability of SMEs depends heavily on leveraging valuable, rare, and difficult-to-imitate internal resources. One strategic resource that can support sustainability is Green Marketing capability, namely the ability of SMEs to design, implement, and communicate marketing strategies focused on environmental sustainability. This capability not only enhances the company's image and consumer appeal, but also drives operational efficiency, product innovation, and compliance with environmental regulations, all of which are crucial factors in maintaining long-term business continuity. SMEs that consistently implement Green Marketing are better able to build a positive reputation, increase the loyalty of environmentally conscious customers, and open up new environmentally friendly market opportunities. This enhances MSMEs' adaptive capabilities and resilience in the face of competition and market pressures, thereby strengthening their operational and financial sustainability. Green Marketing is not simply a promotional tool, but a strategic resource that strengthens the competitive position and resilience of SMEs. Ismail et al. (2023) explain that green marketing and an environmental entrepreneurial orientation have a positive impact on corporate sustainability. These results align with research by Namagembe et al. (2016) and Namagembe et al. (2017) stated that environmental entrepreneurial orientation is a crucial capability in implementing green supply chain practices and improving the performance of SMEs. This description indicates that the hypothesis of this study is as follows.

H₃: Green marketing positive effect on sustainability of SMEs Business

Green Marketing, Enviripreneurial Orientation, and Sustainability of SMEs Business

Based on the Resource-Based Perspective, the sustainability of micro, small, and medium enterprises (SMEs) is heavily influenced by the use of valuable, unique, and difficult-to-match internal resources. In this context, Green Marketing can be viewed as a strategic resource that provides a competitive advantage through the implementation of environmentally friendly marketing practices, communication of sustainability values, and innovation of environmentally friendly products. Green Marketing not only improves the image and reputation of SMEs but also creates an environmentally conscious organizational culture, which forms the basis for the emergence of Environmental Entrepreneurial Orientation, an entrepreneurial orientation focused on green innovation, risk-taking in environmentally friendly opportunities, and a commitment to achieving sustainability. The implementation of green marketing encourages SMEs to become more proactive in identifying sustainable business opportunities, developing green innovations, and efficiently managing environmental risks. In this context, Green Marketing serves as a driving resource that enhances Environmental Entrepreneurial Orientation, which then serves as a strategy for SMEs to maintain long-term business sustainability. This orientation provides opportunities for SMEs to improve operational efficiency, expand market share, and build customer loyalty, which is increasingly sensitive to environmental issues. Nat & Siepong (2024) emphasize that green marketing capabilities, through appropriate capability development, play a crucial role in achieving sustainable development. Meanwhile, Chen et al. (2024) and Huang et al. (2024) highlight the importance of innovation, environmental labeling, and efficiency in green marketing strategies to achieve long-term sustainability. This description suggests that the study's hypothesis is as follows.

H₄: Enviripreneurial orientation mediates the effect of green marketing on the sustainability of SMEs business

RESEARCH METHOD

Sample

This study used a sample of SMEs registered with the Tangerang City Department of Industry, Trade, Cooperatives, and Small and Medium Enterprises (Disperindagkop UKM) through a combination of the Slovin method and purposive sampling. Data show that as of March 2024, there were 58,692 SMEs registered with the Tangerang City Government. Using a combination of the Slovin formula and purposive sampling, 100 SMEs in Tangerang City were selected as respondents. The data analysis technique used structural equation modeling-partial least squares (SEM-PLS) to test the research hypothesis.

Operational Definition and Measurement of Variables

This study uses independent variables (green marketing), mediators (enviripreneurial orientation), and dependent variables (sustainability of SMEs). Green marketing is the promotion of environmentally friendly products by companies that align with sustainable goals and attract consumers who care about the environment. This study measures green marketing using a five-point Likert scale consisting of four statement items. Environmental orientation refers to the

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attitudes demonstrated by managers and owners toward business conditions that can lead to business goals and environmental sustainability through proactive, innovative, and aggressive actions while considering risk-taking tendencies when developing and implementing business plans and policies that improve performance and competitiveness (Khan et al., 2020; Namagembe et al., 2017). This study measured environmental orientation using a five-point Likert scale consisting of five statement items. Sustainability of SMEs Business is running a business while demonstrating long-term commitment and responsibility to maintain a balance between social, economic, and environmental concerns, rather than a commitment to maximizing short-term financial profits (Murphy, 2013). This study measured Sustainability of SMEs Business using a five-point Likert scale consisting of five statement items.

Common Method Bias

To mitigate potential concerns regarding common method bias (CMB), a collinearity test was used in this study. The findings indicate that CMB is not a significant issue, as evidenced by the collinearity statistics (VIF) values for Green Marketing → Sustainability of MSMEs (2,024), Green Marketing → Environmental orientation (1,000), and Environmental orientation → Sustainability of SMEs Business (2,024). These values are < 3, thus eliminating the issue of common method bias.

RESULTS AND DISCUSSION

The purpose of this study is to examine and analyze the influence of green marketing on the sustainability of SMEs through environmental orientation. The sample of this study was SMEs registered with the Department of Industry, Trade, Cooperatives, and Small and Medium Enterprises. The following is a profile of the SMEs respondents.

Table 1. Respondent Profile

Demographic Description	Number of Respondents	Percentage (%)
Gender:		
Male	14	14%
Female	86	86%
Age:		
< 25 years	9	9%
25-34 years	12	12%
35-44 years	29	29%
45-54 years	39	39%
> 54 years	11	11%
Education Level:		
Junior High School/Equivalent	9	9%
High School	58	58%
Diploma	12	12%
Bachelor's Degree	19	19%
Postgraduate Degree	2	2%
Length of Business:		
< 1 year	7	7%
1-3 years	38	38%
4-7 years	34	34%
> 7 years	21	21%

Source: primary data processed by researchers, 2026

Table 1 displays demographic information regarding the respondents who participated in this study. In terms of gender, the majority of respondents were women, totaling 86 (86%), while only 14 (14%) were men. This indicates that the majority of entrepreneurs in this study were women, demonstrating their important contribution to the management and sustainability of SMEs.

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In terms of age, the largest number of respondents were in the 45–54 age group, with a total of 39 (39%), followed by the 35–44 age group, with 29 (29%). Meanwhile, there were 12 (12%) respondents aged 25–34, and 11 (11%) respondents aged 54 and over. The under-25 age group had the smallest number, with only 9 (9%). This distribution pattern indicates that the majority of SMEs entrepreneurs are of productive age and possess experience, which can contribute to more reliable business decision-making. Based on educational attainment, the majority of respondents came from a high school background, totaling 58 individuals (58%). Furthermore, 19 individuals (19%) had a bachelor's degree, 12 individuals (12%) had diplomas, 9 individuals (9%) had junior high school or equivalent degrees, and 2 individuals (2%) had postgraduate degrees. This indicates that the majority of SMEs in this study came from secondary education levels, although varying levels of education can influence understanding of business strategies and sustainable practices. In terms of operational duration, the majority of survey participants had been running their businesses for 1 to 3 years (38%), followed by those operating for 4 to 7 years (34%). 21 individuals (21%) had businesses operating for more than 7 years, while the smallest number, 7 individuals (7%), had businesses operating for less than 1 year. These results indicate that the majority of respondents have significant business experience, so this is relevant in evaluating the implementation of green marketing strategies and entrepreneurial orientations related to the environment to support business sustainability.

Evaluation of Measurement Model

This study employed a measurement model evaluation to assess validity and reliability. The results of the validity and reliability tests are presented in Table 2. Convergent validity was evaluated following the guidelines of Hair et al. (2022) by utilizing an AVE value greater than 0,5. Furthermore, this study also considered factor loading values greater than 0.05 to identify convergent validity. Meanwhile, for discriminant validity, this study used the correlation ratio between heterotrait and monotrait. Testing of this ratio in Table 3 shows a value below the threshold of 0,90 (Henseler et al., 2015). Therefore, discriminant validity in this study has been met. The results of the reliability test also show that the Cronbach's alpha (CA) and composite reliability (CR) values exceed the generally established guideline of 0,70 (Table 2).

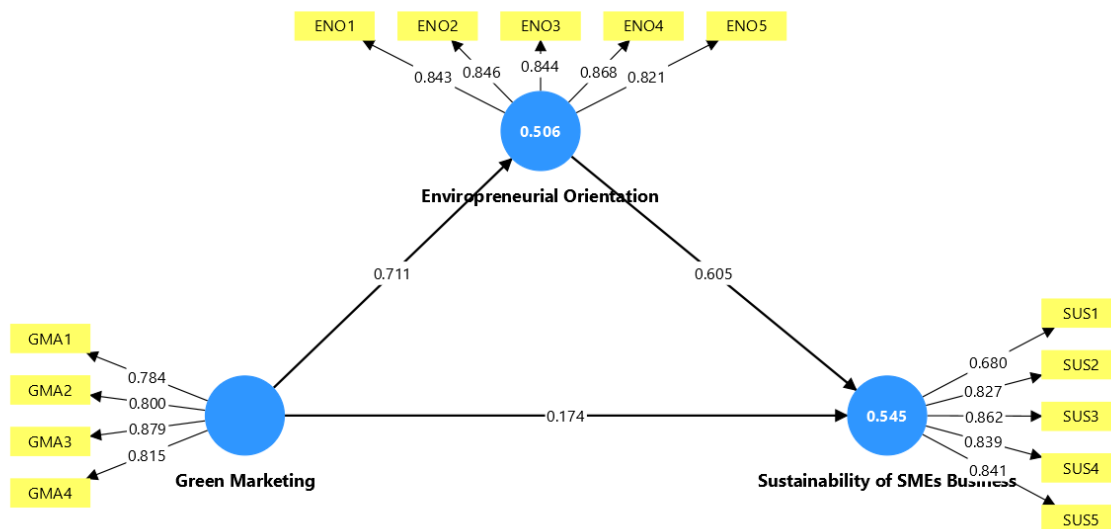


Figure 1. Convergent Validity Test Results

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Table 2. Validity and Reliability Test Results

Constructs	Items	Loadings	CA	CR	AVE	rho a
Green Marketing	GMA1	0,784	0,840	0,891	0,673	0,862
	GMA2	0,800				
	GMA3	0,879				
	GMA4	0,815				
Sustainability of SMEs Business	SUS1	0,680	0,869	0,906	0,660	0,872
	SUS2	0,827				
	SUS3	0,862				
	SUS4	0,839				
	SUS5	0,841				
Enviropreneurial Orientation	ENO1	0,843	0,899	0,926	0,713	0,901
	ENO2	0,846				
	ENO3	0,844				
	ENO4	0,868				
	ENO5	0,821				

Source: primary data processed by researchers, 2026

Table 3. Results of Discriminant Validity Test

No.	Variable	1	2	3
1	Green Marketing			
2	Enviropreneurial Orientation	0,792		
3	Sustainability of SMEs Business	0,690	0,814	

Source: primary data processed by researchers, 2026

Structural Model Evaluation

The analysis results show that green marketing has a positive and significant effect on environmental entrepreneurial orientation ($\beta = 0.711$; $t\text{-value} = 12.320$; $p = 0.000$). Thus, Hypothesis 1 (H_1) is supported. The results of this study indicate that green marketing has a positive and significant impact on environmental entrepreneurial orientation. This means that the stronger the implementation of green marketing strategies, the higher the environmental entrepreneurial orientation of SMEs. This finding can be explained through the Resource-Based View (RBV), which views green marketing as an intangible strategic resource, such as a reputation as an environmentally conscious company, an understanding of sustainable practices, and management's dedication to ecological values. These resources possess valuable, rare, difficult to imitate, and non-substitutable (VRIN) characteristics, thus fostering the development of internal capabilities in the form of an environmental entrepreneurial orientation, reflected in eco-friendly innovation, the courage to take environmental risks, and a proactive attitude in addressing sustainability issues.

The analysis results indicate that the influence of environmental orientation on the sustainability of SMEs supports Hypothesis 2 (H_2) ($\beta = 0.605$; $t\text{-value} = 6.359$; $p = 0.000$). This finding can be understood from the Resource-Based View (RBV) perspective, which views environmental orientation as an internal strategic capability focused on the knowledge, values, and culture of an organization that cares about the environment. This orientation demonstrates the potential of SMEs to combine environmentally friendly innovation, respond quickly to environmental challenges, and take risks in implementing sustainable practices. As an intangible asset that is difficult for competitors to match, environmental orientation can generate long-term competitive advantage and directly impact MSME business continuity. The results of this study found that Hypothesis 3 (H_3) was supported, namely that green marketing has a positive effect on the sustainability of SMEs ($\beta = 0.604$; $t\text{-value} = 8.399$; $p = 0.000$). These findings can be understood through the perspective of the Resource-Based View (RBV) theory, which positions green marketing as an intangible strategic asset encompassing an environmentally conscious reputation, consumer trust, a unique green-oriented brand, and the ability to communicate sustainability values. These assets are valuable because they generate value for customers, rare because not all small and medium enterprises can consistently implement green marketing, and difficult to imitate because they

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are built through a process that requires time and organizational dedication. Therefore, green marketing serves as a foundation for achieving long-term competitive advantage that supports the sustainability of SMEs operations.

Table 4. Results of the hypotheses testing

Hypothesis	β -value	t-value	p-value	Results
Main Effect:				
GMA \rightarrow ENO	0,711	12,320	0,000	Supported
ENO \rightarrow SUS	0,605	6,359	0,000	Supported
GMA \rightarrow SUS	0,604	8,399	0,000	Supported
Mediating Effect				
GMA \rightarrow ENO \rightarrow SUS	0,430	5,883	0,000	Supported
Adjusted R ² Enviropreneurial Orientation = 50,1%, and sustainability of SMEs business = 53,6%. Futherome, f ² Green Marketing \rightarrow Enviropreneurial Orientation (1,024), Enviropreneurial Orientation \rightarrow sustainability of SMEs business (0,398), Green Marketing \rightarrow sustainability of SMEs business (0,033).				

Source: primary data processed by researchers, 2026

The findings of this study further demonstrate the mediating role of environmental orientation in the relationship between green marketing and MSME business sustainability, supporting Hypothesis 4 (H₄) ($\beta = 0.430$; t-value = 5.883; p = 0.000). Based on the Resource-Based View (RBV) theory, green marketing can be viewed as a strategic resource, both external and internal, that drives organizations to build capabilities. Conversely, environmental orientation functions as an internal capability that transforms these resources into sustainable performance. Within the RBV framework, green marketing provides inputs such as knowledge of green markets, an environmentally conscious reputation, and social legitimacy, which are then internalized through environmental orientation as a mindset and strategy focused on innovation, proactivity, and taking environmental risks. These capabilities then enable micro, small, and medium enterprises (SMEs) to develop sustainable competitive advantages and ensure their business continuity. Based on the SEM-PLS analysis, an adjusted R² value of 50,1% was obtained for environmental orientation and 53,6% for SMEs business sustainability. This finding indicates that exogenous variables in the research model, such as green marketing, can explain approximately 50,1% of the variation in environmental orientation. Meanwhile, green marketing, together with environmental orientation, simultaneously explain 53,6% of the variation in SMEs business sustainability. Thus, this research model has a fairly good ability to explain the relationship between variables, although there are still other factors outside the model that influence environmental orientation and SMEs sustainability.

The f² value for the effect of green marketing on environmental orientation is 1,024, indicating a strong influence according to Cohen's (1988) criteria. Therefore, it can be concluded that green marketing makes a very strong contribution to improving environmental orientation. Furthermore, the environmental orientation pathway towards SMEs Business Sustainability has an f² value of 0.398 which is included in the strong category. This means that environmental orientation does contribute to business sustainability, but its direct influence is relatively limited. Meanwhile, the green marketing pathway towards SMEs Business Sustainability obtained an f² value of 0.033 which is included in the weak category, so it can be interpreted that green marketing has a weak influence in encouraging SMEs business sustainability. Thus, these results indicate that green marketing is a dominant factor in influencing environmental orientation and business sustainability, while the role of environmental orientation is seen more as a link or mediator rather than as a primary factor that directly influences sustainability.

CONCLUSION

This study concludes that green marketing plays a crucial role in enhancing the sustainability of SMEs, both directly and indirectly through an environmentally focused entrepreneurial orientation. The analysis shows that consistent implementation of green marketing can shape an environmentally conscious entrepreneurial orientation, ultimately strengthening the ability of SMEs to maintain business sustainability. These findings confirm that SMEs sustainability depends not only on environmentally friendly marketing practices but also on the extent to which these practices are integrated into the values, attitudes, and entrepreneurial orientation of business actors. Therefore, an environmentally

conscious entrepreneurial orientation proves to be an important mechanism linking the impact of green marketing to SMEs sustainability. Conceptually, this study makes a significant contribution to the growing literature on green marketing, sustainable entrepreneurship, and the sustainability of micro, small, and medium enterprises (SMEs). This research extends the application of the Resource-Based View (RBV) by demonstrating that green marketing can be perceived as an intangible strategic asset that can strengthen SMEs internal capabilities in the form of an environmental orientation. These findings broaden the understanding that sustainable advantage stems not solely from asset ownership but also from the capacity of SMEs to transform sustainable practices into a valuable, rare, and difficult-to-replicate entrepreneurial orientation. Furthermore, this study addresses a research gap by incorporating the mediating variable of environmental orientation into the relationship between green marketing and business sustainability, particularly in the context of SMEs in developing countries.

From a practical perspective, the results of this study convey significant implications for MSMEs, local governments, and other stakeholders. For SMEs, these findings demonstrate that the implementation of green marketing should not be merely symbolic or fashionable, but rather integrated into daily business strategies and entrepreneurial patterns. For local governments, particularly the Department of Industry, Trade, and Cooperatives, the results of this study can serve as a foundation for developing SMEs development programs that emphasize not only marketing techniques but also strengthen environmentally conscious entrepreneurial mindsets and approaches. On the other hand, for institutions supporting SMEs, such as business incubators and financing institutions, the results of this study can be used to develop policies and mentoring programs that strengthen the transformation of SMEs towards sustainable business practices.

This study has several limitations that require consideration. First, the research scope is limited to SMEs registered in Tangerang City, so the results cannot necessarily be generalized to other regions with different economic and social characteristics. Second, this study is cross-sectional, so it is unable to capture the dynamics of changes in entrepreneurial orientation and business sustainability over the long term. Third, the data were obtained through a questionnaire of respondents' perceptions, which has the potential to introduce subjective bias. Based on these limitations, future studies are recommended to expand the regional scope and involve various SMEs sectors to ensure stronger generalizability. Furthermore, the use of a longitudinal design is recommended to more comprehensively observe the development of green marketing, environmental orientation, and business sustainability. Future studies could also add other variables, such as policy support, green innovation, or financial performance, to enrich the conceptual model and provide a deeper understanding of the factors influencing SMEs business sustainability.

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