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Driving SME's towards Green Business: The Impact of Sustainable Marketing Mix on Performance and Loyalty in BNI's Go Green Movement

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Abstract

Growing global concerns over environmental issues, such as climate change and pollution, have heightened the demand for sustainable business practices, particularly in the banking sector. Financial institutions support environmental sustainability through green finance by offering eco-friendly products like green loans and bonds. This study examines how BNI's Go-Green initiative enhances SME customer loyalty by incorporating the sustainable marketing mix, focusing on people, profit, and planet. A quantitative approach was used to assess the impact of the sustainable marketing mix on SME performance and customer loyalty within BNI's Go Green movement in Bukittinggi, Indonesia. A stratified random sample of 303 SMEs was selected from a population of 1,239. Data were gathered through structured questionnaires using a five-point Likert scale and analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS). Confirmatory Factor Analysis (CFA) validated the measurement model, and the structural model assessed direct and indirect effects. The variable had the highest Average Variance Extracted (AVE) 0.873. Discriminant validity showed a strong correlation between business sustainability and customer loyalty (0.768). Place and Business Sustainability had significant positive effects on customer loyalty, while People and Planet had more limited impacts. This study introduces the expanded marketing mix people, profit, and planet into the green finance framework and highlights the underexplored mediating role of business sustainability in fostering SME customer loyalty. The findings emphasize the importance of aligning green banking products with SME needs to enhance loyalty and support global sustainability goals, including the United Nations' Sustainable Development Goals (SDGs).

Keywords: *Sustainable Marketing, Smes, Green Business, Performance Improvement, Customer Loyalty.*

Introduction

The increasing global awareness of environmental issues, such as climate change, resource depletion, and pollution, has led to a growing demand for sustainable business practices across various sectors, including banking. Financial institutions, through green finance initiatives, play a pivotal role in promoting environmental sustainability by offering products and services that support eco-friendly projects and practices. Green finance involves providing financial products such as green loans, green bonds, and eco-friendly savings accounts that specifically target businesses or projects with a reduced environmental impact (Höhne et al., 2012). Small and medium-sized enterprises (SMEs) play a vital role in the global economy and are a critical focus for banks implementing green finance strategies. SMEs that prioritize environmental sustainability are more likely to seek financial partners that align with their values. Banks offering such green financial products can differentiate themselves in the marketplace and attract a loyal customer base of environmentally conscious businesses (Patra, 2022). This study explores the strategic importance of green finance in banking, focusing on how it can enhance the loyalty of SME customers who increasingly value sustainability in their business operations.

In addition to analyzing traditional marketing mix components such as product, price, promotion, and place, this study will also incorporate three additional dimensions into the marketing mix: people, profit, and planet. These dimensions represent an expanded approach that reflects modern sustainability concerns and societal expectations. The inclusion of people emphasizes the role of customer and employee engagement in promoting sustainability. Profit focuses on ensuring that green financial products are not only eco-friendly but also financially viable for both banks and SMEs. Planet highlights the environmental impact of banking services, ensuring that products contribute to long-term sustainability goals. By

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incorporating these three dimensions, the study adopts a holistic approach to understanding how marketing strategies can enhance SME loyalty in the context of green banking. The rationale for choosing this expanded marketing mix stems from the need to address the broader, multi-dimensional challenges faced by banks and SMEs in the current sustainability landscape. Traditional marketing strategies often overlook the social and environmental impacts of business practices, while the expanded "7P" marketing mix allows for a more comprehensive assessment of how green finance initiatives align with customer values, societal expectations, and environmental imperatives.

The urgency of this research lies in the growing global and local push for sustainability, coupled with the specific challenges facing the banking sector in meeting the needs of SME customers. The shift toward sustainable business models has accelerated due to increasing regulatory pressures, societal expectations, and environmental concerns. Regulatory frameworks have become more stringent, compelling businesses to adopt sustainable practices to comply with legal requirements. For instance, Babiak and Trendafilova highlight that regulatory considerations significantly motivate companies to implement green management practices, indicating that compliance with environmental regulations is a strong driver for corporate social responsibility (CSR) initiatives (Babiak & Trendafilova, 2011). In Indonesia, financial institutions are expected to contribute to the country's sustainability goals, including reducing carbon emissions and promoting renewable energy projects. However, despite the increased availability of green financial products, there remains a significant gap between the offerings of financial institutions and the specific needs and understanding of SMEs regarding sustainable banking products (Marhaeni et al., 2023; Bhalla, 2023).

For SMEs, adopting green practices often involves complex operational changes and requires substantial financial investments. For instance, Rodrigues and Franco highlight that while some SMEs demonstrate environmental concerns by adopting green practices, the complexity of these changes often necessitates external support and guidance to navigate the operational shifts effectively (Rodrigues & Franco, 2023). Therefore, it is critical for banks to not only offer green products but also bridge the knowledge gap by providing adequate education and technical support to SMEs. The urgency of this study is further underscored by the growing demand for green finance solutions globally, as governments and financial institutions alike aim to meet sustainability targets. This study is essential in exploring how green finance initiatives, such as BNI's Go-Green program, can more effectively meet the needs of environmentally conscious SMEs, thereby fostering long-term loyalty. It provides insight into how banks can adapt their strategies to better align with sustainability goals while ensuring customer satisfaction and loyalty in this crucial business segment.

A crucial part of a good introduction is identifying gaps in the current research. Despite the growing body of literature on Green Finance, there is still a significant gap in understanding how these initiatives are perceived by SME customers, particularly in developing markets like Indonesia. Many studies focus on large-scale corporate customers but overlook the unique challenges faced by SMEs, such as implementing green products within their operational frameworks (D. Yang et al., 2022; Purwandani & Michaud, 2021). Additionally, while the demand for green banking products has increased, there remain significant barriers, including insufficient product availability tailored to SME needs, particularly in emerging markets (Ghazali et al., 2023; Albrecht et al., 2023).

The novelty of this research lies in its focus on the relationship between green banking products and SME customer loyalty in the Indonesian banking sector, specifically at BNI. It introduces the concept of green banking as a strategic tool for cultivating long-term loyalty in a segment that is often under-researched. By examining specific case studies, such as the BNI Go-Green program, this study explores the role of innovative financial products like green savings accounts and loans for sustainable projects in fostering loyalty (Romadhon & Mutmainah, 2023; Purbasari, 2021). This research fills a critical gap by addressing how banks can better align their green product offerings with the operational needs of SMEs, especially by incorporating the dimensions of people, profit, and planet in marketing strategies.

The findings of this study will have important implications for both the banking sector and the broader economy. As SMEs become more environmentally conscious, banks that offer well-tailored green finance

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products will be better positioned to build strong, loyal relationships with their customers. Furthermore, by fostering these relationships, banks can enhance their reputations as socially responsible institutions, which may attract a broader customer base and support sustainable business practices in the long run. In a global context, promoting Green Finance can also contribute to achieving the United Nations' Sustainable Development Goals (SDGs), especially those related to climate action and responsible production. Environmentally friendly financial initiatives (Green Finance) can serve as a strategy for banking institutions to maintain the loyalty of environmentally-conscious SMEs. These SMEs are more likely to remain loyal to banks offering green products and services. However, a mismatch between product offerings and SME needs may hinder loyalty. Therefore, aligning green banking products with the operational realities of SMEs, coupled with adequate support and education, is critical for fostering satisfaction and loyalty in this segment.

This study analyzed the impact of the sustainable marketing mix on the business performance of SMEs and their customer loyalty toward BNI's Go-Green initiatives. The research utilized an expanded marketing mix model, incorporating the traditional elements of product, price, promotion, and place, along with additional dimensions: people, profit, and planet. These added dimensions reflect modern sustainability concerns, ensuring that the marketing strategies not only cater to the economic and environmental needs of SMEs but also emphasize social responsibility. By evaluating these factors, the study aims to provide a comprehensive understanding of how sustainable marketing practices can enhance both the business performance of SMEs and their loyalty to green banking initiatives.

Theoretical Review

Small and Medium Enterprises (SMEs) in Indonesia's Economy

Small and Medium Enterprises (SMEs) play a pivotal role in Indonesia's economy, contributing significantly to employment, innovation, and overall economic growth. As of recent estimates, SMEs account for approximately 99.9% of all business entities in Indonesia and contribute around 60.34% to the country's GDP, underscoring their importance as a backbone of the national economy (Robbani & Humaira, 2021; Tyoso, 2023). The resilience of SMEs has been particularly notable during economic crises, such as those in 1998 and 2008, where they provided stability and recovery (Robbani & Humaira, 2021; Rohadin & Yanah, 2019). This resilience is attributed to their widespread presence across various sectors and their ability to adapt to changing economic conditions (Tambunan, 2011).

The relationship between SMEs and economic growth in Indonesia is characterized by a one-way causality, where the growth of SMEs directly stimulates economic development (Aladin et al., 2021). This is further supported by the assertion that SMEs foster innovation and competitive advantages, which are crucial for long-term sustainability (Arsawan et al., 2020; Laksana et al., 2022). The cultivation of an innovation culture within SMEs is essential, as it enhances their performance and ability to compete in both local and international markets (Azizah, 2023). For instance, studies have shown that SMEs with strong innovation capabilities tend to perform better and contribute more significantly to economic growth (Laksana et al., 2022).

Moreover, the role of technology and digital transformation has become increasingly important for SMEs, especially in the context of resilience during crises such as the COVID-19 pandemic. The adoption of digital technologies has been identified as a key factor in enhancing the resilience and adaptability of SMEs, enabling them to navigate challenges more effectively (Chan, 2023; Pusung et al., 2023). This technological shift not only improves operational efficiency but also opens new avenues for market expansion and customer engagement (Pusung et al., 2023). In addition to innovation and technology, the organizational culture within SMEs plays a critical role in their performance and internationalization efforts. A supportive organizational culture can mediate the relationship between entrepreneurial orientation and international performance, thereby enhancing SMEs' competitiveness on a global scale (Anggadwita et al., 2023; Wibisono & Sitorus, 2021). Furthermore, the implementation of standards such as halal certification has emerged as a strategic advantage for SMEs, particularly in a predominantly Muslim country like Indonesia,

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where such certifications can significantly influence consumer purchasing decisions (Giyanti et al., 2020; Pradana et al., 2021).

The Concept of Sustainable Marketing Mix

The concept of a sustainable marketing mix has gained significant traction in recent years, reflecting a broader shift towards integrating sustainability into marketing strategies. Sustainable marketing is not merely a trend but a comprehensive approach that combines environmental, social, and economic considerations into marketing practices. This integration is essential for fostering brand loyalty and enhancing consumer trust, as evidenced by various studies that highlight the positive correlation between sustainable marketing initiatives and consumer perceptions (Khandai et al., 2022; Mancuso et al., 2021).

Sustainable marketing can be conceptualized as a corporate philosophy that aligns marketing practices with sustainable development goals. This perspective emphasizes the importance of embedding sustainability within a company's core values and mission, thereby influencing the marketing mix elements product, price, place, and promotion (Abutaleb & El-Bassiouny, 2020). For instance, companies that adopt sustainable marketing practices often see enhanced brand loyalty, as consumers increasingly prefer brands that demonstrate a commitment to environmental and social responsibility (Khandai et al., 2022; " Neha, & Joshi, Pradeep & Kumar, Nishant, 2024). The integration of sustainable practices into marketing strategies not only meets consumer demand but also positions companies competitively in a market that increasingly values sustainability (Hult et al., 2018; Leonidou et al., 2012).

Moreover, the evolution of the marketing mix to include sustainability considerations has led to the development of frameworks that expand traditional marketing strategies. For example, the addition of partnerships as a critical element in the marketing mix allows companies to collaborate with stakeholders to enhance sustainability performance (Pomering & Johnson, 2018). This shift from a traditional marketing mix to a more holistic approach enables businesses to benchmark their sustainability efforts against the triple bottom line people, planet, and profit (Purnama, 2024). Such frameworks facilitate a more comprehensive understanding of how marketing strategies can be aligned with sustainable practices, ultimately driving better market performance and consumer engagement (Widiastuti, 2024).

In the context of digital marketing, the role of big data and consumer engagement has become increasingly prominent. Companies are leveraging digital platforms to communicate their sustainable practices effectively, thereby enhancing consumer awareness and participation in sustainability initiatives (Widiastuti, 2024). This approach not only fosters a sense of community among consumers but also reinforces brand loyalty through transparent communication and ethical marketing practices (Tanveer et al., 2021). As consumers become more informed and concerned about sustainability, businesses must adapt their marketing strategies to reflect these values, ensuring that their offerings resonate with the evolving expectations of their target audience (Sono, 2023).

The impact of a sustainable marketing mix on the performance of small and medium enterprises (SMEs) is a critical area of study, particularly as businesses increasingly recognize the importance of sustainability in their operations. The sustainable marketing mix, which incorporates environmental and social considerations into the traditional marketing mix elements (product, price, place, and promotion), can significantly influence SME performance by enhancing brand loyalty, improving market positioning, and fostering innovation.

Customer Loyalty in the Context of Sustainable Business

Customer loyalty in the context of sustainable business practices has become an increasingly important area of focus for organizations aiming to achieve long-term success. Sustainable marketing strategies not only enhance customer retention but also foster a deeper emotional connection between consumers and brands. This connection is critical in today's market, where consumers are more conscious of environmental and social issues and prefer brands that align with their values. The concept of signaling theory also plays a significant role in how consumers perceive sustainable marketing practices. argue that effective

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communication of sustainability efforts can help mitigate information asymmetry, leading to improved customer attitudes and behaviors towards brands (Taoketao et al., 2018). This is particularly relevant as consumers often struggle to access accurate information regarding a company's sustainability efforts. By transparently communicating their sustainable practices, businesses can enhance trust and loyalty among their customer base.

Furthermore, the emotional aspect of customer loyalty is critical in the context of sustainable business. Research by suggests that brand communication and trust are vital antecedents of brand loyalty, particularly in markets where consumers are increasingly concerned about social and environmental issues (Chinomona, 2016). This emotional connection can be cultivated through consistent messaging and engagement that reflects the brand's commitment to sustainability, ultimately leading to stronger customer loyalty.

Research Method

This study employs a quantitative approach to examine driving smes towards green business: the impact of sustainable marketing mix on performance and loyalty in BNI's go green movement. The focus of the research is on the population of SMEs that are customers of Bank BNI in Bukittinggi and are involved in environmentally friendly practices (go green). The research population includes 1,239 SMEs identified by Bank BNI Bukittinggi as businesses meeting the criteria for green business practices. This study acknowledges the strategic role of these SMEs in supporting the local economy and environmental conservation efforts. Therefore, the research aims to explore their characteristics, challenges, and potential contributions to sustainable economic growth in the region.

A stratified random sampling technique was used to ensure that the sample represents the diversity of the population's characteristics. The SME population was first categorized into several strata based on business size (micro, small, medium), industry sector, and the degree of involvement in sustainable practices. Each stratum was then proportionally sampled to reflect the population's diversity. After stratification, simple random sampling was applied within each stratum to select the final sample. This technique ensures that all subgroups within the population are adequately represented, thus increasing the generalizability of the findings. The sample size for this study was determined using Slovin's formula with a 5% margin of error. Given the total population of 1,239 SMEs, the final sample size of 303 SMEs is considered sufficient to generate reliable and generalizable insights into the impact of the "Planet" marketing concept on SME sustainability and customer loyalty.

Data was collected through a structured questionnaire distributed to the stratified SME sample. The questionnaire uses a five-point Likert scale to measure key variables. Data analysis was conducted using Structural Equation Modeling-Partial Least Squares (SEM-PLS), an appropriate method for evaluating complex relationships between latent variables. The analysis was carried out in two stages: first, the measurement model was assessed using Confirmatory Factor Analysis (CFA) to validate the reliability of the constructs and confirm convergent and discriminant validity. Once the measurement model was confirmed, the structural model was used to evaluate the direct and indirect effects of the marketing concept on SME sustainability and customer loyalty.

Results and Discussion

- *Structural Equation Model Analysis*

The initial assessment examines the loading factor, which serves to show the strength of the correlation between the manifest variables and their corresponding latent variables. As per Hair et al. (2012), a reflective indicator should be excluded from the measurement model if its loading value (λ) is below 0.5, after which the model is recalculated. If the loading value (λ) exceeds 0.5, the indicator is deemed valid. Indicators with high loading factors significantly contribute to explaining their latent variables, while those with low loading factors have a minimal contribution. The loading values (λ) are presented in Table 1 below:

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Table 1. Loading Factor of the Variables

Endogen Variable	Loading Factor		
	People	Profit	Planet
1	0.988	0.988	0.988
2	0.989	0.989	0.989
3	0.992	0.992	0.992
4	0.994	0.994	0.994
5	0.988	0.988	0.988
6	0.996	0.996	0.996
7	0.993	0.993	0.993
8	0.995	0.995	0.995
9	0.992	0.992	0.992

Source: Processed Primary Data (2024)

The analysis of the loading factors for the latent variables People, Profit, and Planet demonstrates that all indicators have strong correlations with their corresponding latent constructs. According to Hair et al. (2012), a reflective indicator should only be excluded from the model if its loading factor (λ) falls below 0.5. In this case, the loading factors for all three variables range from 0.988 to 0.996, which significantly exceeds the minimum threshold of 0.5. This indicates that each indicator is highly correlated with its respective latent variable, making them valid for inclusion in the model. Moreover, the consistency of the loading factors across the three categories shows that the indicators have a similar and substantial impact on the latent variables. The values, being near-perfect (close to 1), suggest that the indicators used in this model are exceptionally strong measures of People, Profit, and Planet. Therefore, all the manifest variables contribute significantly to explaining their respective latent variables, and there is no need to exclude any indicators from the model, as they all meet the validity criteria with very high loading factors.

Convergent validity measures the extent to which a construct can explain the variation of the items that form it. One of the metrics used to evaluate convergent validity is the Average Variance Extracted (AVE). The minimum acceptable standard for AVE is 0.50 or higher. An AVE value of 0.50 or higher indicates that the construct is able to explain 50 percent or more of the variation in the items that make up the construct. Based on the convergent validity test results, the following findings were obtained.

Table 2. Convergent Validity Test Results

Variable	Average Variance Extracted (AVE)
Business Sustainability	0.768
Customer Loyalty	0.624
People	0.837
Profit	0.567
Planet	0.873

Source: Processed Primary Data (2024)

Based on the Convergent Validity Test results presented in the table, it can be concluded that most variables demonstrate good convergent validity. This is evident from the Average Variance Extracted (AVE) values, which exceed the minimum threshold of 0.5, the standard required to indicate adequate convergent validity. The "Planet" variable has the highest AVE value at 0.873, followed by the "People" variable with an AVE of 0.837, indicating that the indicators within these variables strongly and consistently measure the intended construct. the business sustainability and customer loyalty variables

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also show acceptable AVE values of 0.768 and 0.624, respectively, meaning that the indicators within these variables are adequately valid. However, the profit variable has the lowest AVE value at 0.567, although still above the 0.5 threshold, suggesting that while its convergent validity is sufficient, it is not as strong as the other variables. Overall, all variables demonstrate valid convergent results in this test.

To assess discriminant validity, three commonly used methods of analysis are the Fornell-Larcker Criterion, cross-loadings, and the heterotrait-monotrait ratio (HTMT). Among these, the HTMT analysis has proven to be superior. In this study, all HTMT ratio values are below the recommended threshold of 0.85. Therefore, HTMT analysis was employed to evaluate discriminant validity, and the results are presented in Table 3.

Table 3. Discriminant Validity Test Result

	Business Sustainability	Customer Loyalty	People	Profit	Planet
Business Sustainability					
Customer Loyalty	0.768				
People	0.232	0.231			
Profit	0.235	0.499	0.262	0.363	0.212
Planet	0.060	0.146	0.139		0.085

Source: Processed Primary Data (2024)

Based on the discriminant validity test results in Table 3, the correlation values between variables show varying strengths. The correlation between business sustainability and customer loyalty is relatively high, with a value of 0.768, indicating a strong relationship between these two variables. On the other hand, the correlation between business sustainability and other variables, such as people (0.232), profit (0.235), and planet (0.060), suggests weaker relationships. similarly, customer loyalty has a moderate correlation with profit (0.499) but low correlations with people (0.231) and planet (0.146). other correlations, such as between people and profit (0.262) or planet (0.139), are also relatively low. overall, these findings highlight a stronger relationship between business sustainability and customer loyalty, while connections with other dimensions are weaker. This suggests that elements such as business sustainability and customer loyalty are more closely intertwined compared to aspects like profit or environmental impact.

Table 4. Composite Reliability Test Results

Variable	Cronbach's Alpha	Composite Reliability
Business Sustainability	0.963	0.967
Customer Loyalty	0.945	0.952
People	0.975	0.979
Place	0.957	0.964
Planet	0.986	0.984

Source: Processed Primary Data (2024)

Based on the reliability test results presented in the table, all variables exhibit high internal consistency and composite reliability. Business Sustainability has a Cronbach's Alpha of 0.963 and Composite Reliability of 0.967, indicating excellent reliability. Similarly, Customer Loyalty shows a strong reliability with a Cronbach's Alpha of 0.945 and Composite Reliability of 0.952. The People variable has the highest reliability, with Cronbach's Alpha of 0.975 and Composite Reliability of 0.979. The Place variable also demonstrates high reliability (Cronbach's Alpha of 0.957 and Composite Reliability of 0.964), while Planet exhibits exceptional reliability, with Cronbach's Alpha of 0.986 and Composite Reliability of 0.984. Overall,

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these results indicate that all constructs in the study meet the criteria for high reliability, ensuring that the measurement model is consistent and reliable across all variables.

The bootstrapping method was used to evaluate significance through t-statistics. If the t-statistics exceed the critical values of 1.65 (10%), 1.96 (5%), or 2.58 (1%), the path coefficient is statistically significant. In this study, hypotheses are accepted at the 5% significance level with a critical value of 1.96. The estimated path coefficients are as follows:

Table 5. Direct and Indirect of Business Sustainability and Customer Loyalty

Construct of Variable	Coefficient	T-Value	P-Value
Direct Effects			
Business Sustainability -> Customer Loyalty	0.346	12.190	0.000
People -> Business Sustainability	0.174	2.568	0.011
People -> Customer Loyalty	-0.040	1.057	0.291
Place -> Business Sustainability	0.381	4.372	0.000
Place -> Customer Loyalty	0.595	19.914	0.000
Planet -> Business Sustainability	0.011	0.257	0.797
Planet -> Customer Loyalty	0.053	2.845	0.005
Indirect Effects			
People -> Customer Loyalty	0.060	2.505	0.013
Place -> Customer Loyalty	0.132	4.565	0.000
Planet -> Customer Loyalty	0.004	0.256	0.798

Source: Processed Primary Data (2024)

The analysis highlights that Business Sustainability and Place are the strongest drivers of Customer Loyalty, indicating that businesses focused on sustainability and location-related factors tend to build stronger customer loyalty. People plays a significant role in enhancing Business Sustainability, but its direct impact on Customer Loyalty is minimal, suggesting that employee-related factors contribute to loyalty indirectly by improving sustainability efforts. The influence of Planet is limited, with no significant effect on Business Sustainability and only a small direct impact on Customer Loyalty. Overall, focusing on sustainability practices and leveraging location advantages are key strategies for businesses aiming to boost customer loyalty.

The significance results were obtained using bootstrapping to evaluate the effects through t-statistics. If the t-statistics exceed the critical values of 1.65 (10%), 1.96 (5%), or 2.58 (1%), the path coefficient is statistically significant. In this study, hypotheses are accepted at the 5% significance level with a critical value of 1.96. The path coefficient estimates are as follows:

Table 6. Hypothesis Testing

Construct of Variable	T-Value	P-Value
Business Sustainability -> Customer Loyalty	0.257	0.797
People -> Business Sustainability	2.568	0.011
People -> Customer Loyalty	1.057	0.291
Place -> Business Sustainability	4.372	0.000
Place -> Customer Loyalty	19.914	0.000
Planet -> Business Sustainability	0.257	0.797
Planet -> Customer Loyalty	2.845	0.005

Source: Processed Primary Data (2024)

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The analysis indicates that Business Sustainability does not have a significant direct impact on Customer Loyalty, as shown by the low t-value and high p-value. However, People plays a crucial role in enhancing Business Sustainability, with a significant positive relationship. Despite this, People does not have a direct effect on Customer Loyalty, suggesting that employee-related factors contribute to sustainability but do not directly influence customer loyalty. In contrast, Place emerges as a key factor, showing strong and significant effects on both Business Sustainability and Customer Loyalty, indicating that location-related factors are critical in driving both sustainability and customer retention. Interestingly, Planet has no significant impact on Business Sustainability, but it does positively influence Customer Loyalty. This suggests that while environmental considerations may not directly enhance business sustainability, they resonate with customers and can contribute to loyalty. Overall, the findings highlight the importance of focusing on Place to drive both sustainability and loyalty, while Planet plays a unique role in appealing to environmentally conscious customers.

The Direct Effect of Sustainable Marketing Mix on Performance in BNI's Go Green Movement

The research findings on the direct effect of the sustainable marketing mix on customer loyalty within BNI's Go Green initiative offer valuable insights. First, the People component, which refers to human resources and employee interactions, does not have a significant negative effect on customer loyalty. Although there is a negative relationship between People and loyalty, the relationship is not strong enough to be considered statistically significant. This suggests that, in the context of BNI's Go Green branch, the quality of customer service and employee interactions does not have a major influence on customer loyalty. While good service is generally expected to enhance loyalty, other factors appear to play a more dominant role in driving customer retention for BNI.

On the other hand, Place demonstrates a strong and positive relationship with customer loyalty. The environmentally sustainable strategies employed by BNI Bukittinggi, such as renewable energy use and eco-friendly banking facilities, contribute significantly to customer loyalty. These initiatives not only enhance the bank's image but also create a more positive and socially responsible customer experience, strengthening their emotional connection to the bank. Additionally, the Planet aspect of BNI's Go Green program also shows a significant positive effect on customer loyalty. Efforts like reducing carbon footprints and implementing sustainability practices directly increase customer attachment and satisfaction. Customers who observe BNI's commitment to environmental protection are more likely to feel personally connected to the bank, reinforcing their loyalty. Overall, the findings emphasize that Place and Planet are key drivers of customer loyalty, while People plays a less direct role in this context.

The study concludes that the Place and Planet components of BNI Go Green's sustainable marketing strategy have a significant impact on customer loyalty, while the People component does not show a significant effect. Although there is a negative relationship between People and customer loyalty, its strength is not substantial. In contrast, strategies related to Place, such as the use of renewable energy and eco-friendly facilities, and Planet initiatives, such as reducing the carbon footprint, directly enhance customer loyalty by strengthening the bank's image and emotional connection with customers. These initiatives contribute to a positive perception of the bank, fostering a stronger emotional connection with customers, which is crucial for building loyalty in the banking sector (Kamath et al., 2019; Alatyat, 2023). Research indicates that customer loyalty is often influenced by the perceived quality of services and the overall brand image, which can be significantly enhanced through sustainable practices (Tartaglione et al., 2019; Ullah, 2022). The novelty of this research lies in the finding that, in the context of environmentally friendly initiatives, Place and Planet factors are more dominant in building customer loyalty compared to human resource interactions (People). This study also provides new insights into how sustainability practices in the banking sector can influence customer behavior, a topic that has not been extensively explored in previous marketing literature.

The Indirect Effect of Sustainable Marketing Mix on Costumer Loyalty in BNI's Go Green Movement

The research findings reveal that the People factor has a significant influence on customer loyalty among SMEs at BNI Go-Green Branch Bukittinggi, with Business Sustainability acting as a mediator in this

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relationship. The study highlights that the quality and engagement of BNI employees play a crucial role in fostering customer loyalty through their commitment to sustainability practices. In the context of BNI Go-Green, People refers to employees involved in delivering services and supporting the bank's sustainability initiatives. Employees who are knowledgeable about sustainability principles and trained in implementing environmentally friendly practices can build stronger relationships with customers. By providing not only green products and services but also a positive, sustainability-focused customer experience, these employees enhance customer satisfaction and loyalty. This underscores the importance of human resources in effectively promoting customer loyalty through a sustainability-driven approach.

Similarly, the Place factor has a significant impact on customer loyalty, with Business Sustainability also mediating this relationship. The study reveals that BNI Go-Green's strategic, eco-friendly location choices play a vital role in enhancing customer loyalty by aligning with sustainability goals. The accessible, environmentally conscious physical branches not only provide convenience for customers but also reflect the bank's commitment to sustainable principles. Customers who perceive that they are accessing services in a location that supports green initiatives feel more connected to the bank's sustainability values, leading to a positive experience that strengthens their loyalty. The integration of sustainability into the bank's location management creates a lasting bond with customers, reinforcing loyalty through environmentally responsible banking practices.

In contrast, the Planet factor, which refers to environmental responsibility and sustainability efforts, does not have a significant direct impact on customer loyalty when mediated by Business Sustainability. While environmental initiatives are an essential part of green banking strategies, the study suggests that they do not directly influence customer loyalty in this context. This finding indicates that success in fostering customer loyalty is not always dependent on the extent of the bank's involvement in environmental practices or the impact of its sustainability efforts on the planet. Although many customers appreciate social and environmental responsibility, the direct influence of environmental practices on loyalty may not be immediately apparent. Although environmental initiatives are integral to green banking strategies, research indicates that these efforts do not directly influence customer loyalty within this specific context (Ibeenwo et al., 2019). This finding suggests that the success of fostering customer loyalty is not solely contingent upon the extent of the bank's engagement in environmental practices or the perceived impact of its sustainability initiatives on the planet (Susanto et al., 2020; Moisescu & Gică, 2020).

The research concludes that the people factor, referring to employees, has a significant influence on customer loyalty among SMEs at BNI Go-Green Branch Bukittinggi, with Business Sustainability acting as a mediator. The quality and engagement of BNI employees play a crucial role in enhancing customer loyalty by implementing sustainability practices. Employees who are knowledgeable about sustainability principles and skilled in applying environmentally friendly practices build stronger relationships with customers. Additionally, the place factor, related to the eco-friendly branch locations of BNI Go-Green, also shows a significant impact on customer loyalty, with the bank's strategic, environmentally conscious locations fostering stronger connections to sustainability values. In contrast, the planet factor, which involves environmental responsibility, does not directly influence customer loyalty when mediated by Business Sustainability. While environmental initiatives are essential to green banking strategies, their direct impact on customer loyalty is not evident in this context.

The novelty of this research lies in several key findings. First, it highlights the role of Business Sustainability as a mediator between internal factors (People and Place) and customer loyalty, a relatively unexplored area in green banking research. Second, it emphasizes the importance of employee quality in promoting customer loyalty through a sustainability-driven approach, which adds a human resource dimension to green banking strategies. Third, the study reveals that eco-friendly branch locations significantly influence customer loyalty, showing that a physical connection to sustainable practices enhances the customer experience. Lastly, the finding that environmental responsibility does not directly impact customer loyalty offers a new perspective, suggesting that customer loyalty is more influenced by human engagement and service location rather than the bank's overall environmental initiatives.

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Conclusion

This study, conducted at BNI Go-Green Branch Bukittinggi, assessed the impact of People, Profit, and Planet factors on customer loyalty, focusing on green banking practices. Using Structural Equation Modeling (SEM), the research analyzed how these factors influence customer loyalty, with a particular emphasis on Business Sustainability as a mediator. The findings revealed that People and Place play critical roles in shaping customer loyalty through sustainability practices, while Planet, though important for green strategies, had a less direct effect. The results showed strong correlations between the variables, with high loading factors (0.988 to 0.996), indicating the validity and reliability of the indicators. Convergent validity tests confirmed that Planet and People are strong predictors of their constructs, while Profit showed weaker influence. Discriminant validity further highlighted the strong correlation between Business Sustainability and Customer Loyalty, reinforcing the importance of sustainable practices in fostering loyalty. The novelty of this study lies in its focus on Business Sustainability as a mediator, exploring the underexamined role of People and Place in driving customer loyalty. Unlike traditional studies that emphasize environmental responsibility (Planet), this research highlights how employee quality and strategic location decisions are key in promoting loyalty. The study also suggests that environmental initiatives alone may not significantly affect customer loyalty without strong engagement in sustainability practices. These findings offer broader implications for industries seeking to integrate sustainability into customer retention strategies, emphasizing the importance of human and location-based factors in enhancing sustainability efforts.

Recommendation

Future research should expand beyond the People, Profit, and Planet framework by incorporating additional factors such as technological innovation, service quality, and corporate social responsibility. This would offer a more comprehensive view of what drives customer loyalty in green banking. Comparative studies across regions or branches could also reveal how geographic or cultural factors influence these relationships. Longitudinal studies are recommended to track how Business Sustainability, People, Place, and Customer Loyalty evolve over time, providing insights into the lasting impact of sustainability practices. Additionally, analyzing customer segmentation such as by age or sustainability-consciousness could help tailor marketing strategies more effectively. Incorporating qualitative methods like interviews or focus groups would provide deeper insights into why customers respond to specific sustainability efforts, complementing quantitative data. Lastly, exploring whether similar factors affect customer loyalty in other sectors, such as retail or hospitality, would broaden the relevance of these findings beyond banking and offer insights for sustainable practices across industries.

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